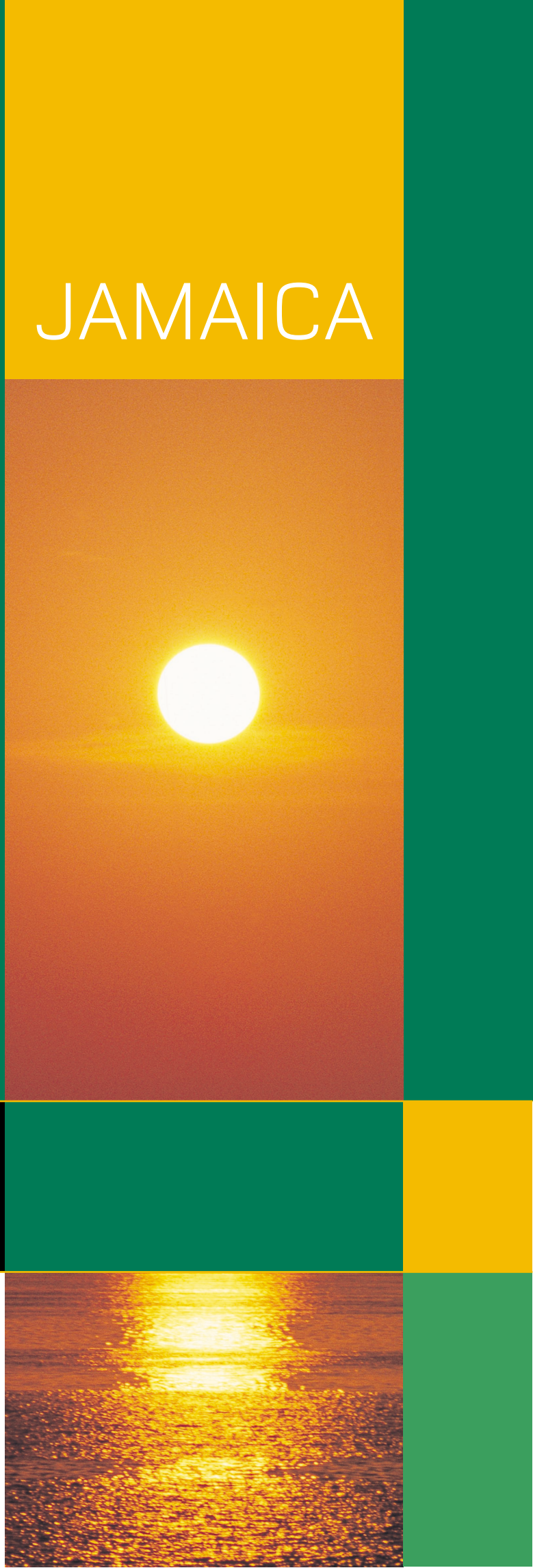


JAMAICA

Master Plan for Sustainable Tourism Development

Commonwealth Secretariat



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Master Plan for Sustainable
Tourism Development

JAMAICA

Funded by:

Commonwealth Fund for Technical Co-operation (CFTC),
Commonwealth Secretariat



Commonwealth Secretariat

Glossary

AJAL	Association of Jamaica Attractions Ltd
All Inclusives	Resort hotels with all food, beverages, accommodation and entertainment pre-paid
Ancillary Sectors	Sectors of the Tourism Industry other than accommodation
CBO	Community Based Organisation
CFTC	Commonwealth Fund for Technical Co-operation
DBJ	Development Bank of Jamaica
DFI	Development Finance Institution
ENGO	Environmental Non-Governmental Organisation
EP	European Plan. Payment Plan for hotels that include accommodation and breakfast only
FINSAC	Finance Adjustment Company
GCT	General Consumption Tax
GDP	Gross Domestic Product
GMBRC	Greater Montego Bay Redevelopment Company
GoJ	Government of Jamaica
HEART	Human Employment and Resource Training
HRD	Human Resource Development
IDB	Inter-American Development Bank
IRR	Internal Rate of Return
JAMAL	Jamaica Adult Literacy
JAMPRO	Jamaica Promotions Corporation
JAMVAC	Jamaica Vacations Ltd
JAVA	Jamaica Association of Villas and Apartments
JCDC	Jamaica Cultural Development Commission
JHTA	Jamaica Hotel and Tourism Association
JRS	Jamaica Reservations Service
JTB	Jamaica Tourist Board
JUDA	Jamaica U-Drive Association
JUTA	Jamaica Union of Travellers Association
NCTVET	National Council for Vocational Education and Training
NEPA	National Environment and Planning Agency
NEPT	Negril Environment Protection Trust
NGIALPA	Negril Green Island Area Local Planning Authority
NGO	Non-Governmental Organisation
NIBJ	National Investment Bank of Jamaica
NIP	National Industrial Policy
NPV	Net Present Value
NRCA	Natural Resources Conservation Authority
NRJ	Non-Resident Jamaican
NTO	National Tourism Organisation
Origin/Source Markets	Countries from which visitors to Jamaica are drawn
PDC	Parish Development Committee
PIOJ	Planning Institute of Jamaica
PRDCL	Port Royal Development Company Limited
SDC	Social Development Commission
TPDCo	Tourism Product Development Company
UDC	Urban Development Corporation
UTECH	University of Technology
UWI	University of the West Indies
VFR	Visiting Friends and Relatives
WTO	World Tourism Organisation

Acknowledgements



The Master Plan for Sustainable Tourism Development in Jamaica is a project of the Ministry of Tourism and Sport. Technical assistance was provided by the Commonwealth Fund for Technical Co-operation (CFTC), Commonwealth Secretariat, for the preparation of major components of the Plan. Additional funding support was provided by the Inter-American Development Bank (IDB) to prepare a Cultural/Heritage Tourism Development Study, which formed an integral component of the Master Plan. The final document constitutes the outcome of extensive research and analysis, expert interviews and several rounds of nationwide consultations with tourism industry stakeholders, community groups and various government departments and agencies.

Let me first express gratitude to the Government and people of Jamaica for their commitment to the continued development of tourism and for its positioning as a lead growth sector. Acknowledgement is due to Francis Tulloch, the former Minister of Tourism, for recognising the need and for taking the initiative to start the process of developing a comprehensive master plan.

I take this opportunity to express gratitude to the Commonwealth Secretariat for their substantial support over the extended period of the planning process; to Marlon Lezama; to Sunil Sinha, lead consultant of Emerging Market Economics, for his dedication and professionalism; to Desmond Hayle & Associates – Commonwealth Secretariat's local consultants; to other local consultants – Pauline McHardy, Joy Douglas, Ann Hodges, Robert Kerr, Jean Wilson & Associates and CALL Associates; to Malcolm George of Scott Wilson Kirkpatrick & Co. Ltd. and to the Inter-American Development Bank for providing vital support when needed.

The planning process was co-ordinated by the Ministry of Tourism and Sport under the guidance of two committees:

- (1) The Master Plan Steering Committee – comprised of representatives from various government departments, statutory bodies and tourism industry associations.
- (2) The Tourism Industry Advisory Council – comprised primarily of private sector representatives from various tourism sub-sectors as well as government representatives.

I thank the members of both the Steering Committee and the Industry Advisory Council, for their wealth of knowledge, for providing significant and substantive input to the discussions, valuable comments on output at each stage of the planning process and for agreeing the broad recommendations emanating from the Plan.

To the many community representatives who participated in the consultation sessions, I thank you for the level of interest displayed, for your knowledge of tourism potentials in the various communities and for your vision for the future growth and development of the tourism sector. I thank the many facilitators for allowing genuine participation to all attendees at the community/stakeholder consultations.

Finally, I thank the staff of this Ministry for their dedication to the process and their continued commitment to the sustainable development of the tourism industry.

I anticipate the continued support of all stakeholders as we move into the implementation phase of the Master Plan.

Portia Simpson Miller, MP
Minister of Tourism and Sport

12 September, 2002

Preface

The development of this Master Plan formed part of a technical assistance programme for the Government of Jamaica in support of its efforts to improve the competitiveness of its Tourism Industry. This assistance was provided through the Commonwealth Fund for Technical Co-operation of the Commonwealth Secretariat.

The Commonwealth Secretariat is the principal international organisation of the Commonwealth. The Secretariat works towards advancing the Commonwealth's fundamental values. Of the 54 Commonwealth members, 50 are developing countries for whom economic development is indispensable. Assistance in this area is provided by the Commonwealth Fund for Technical Co-operation (CFTC), the funding arm of the Secretariat. The Fund is responsive in nature and provides technical assistance for economic, social and political development.

The objective of the Master Plan is to move the industry on to a path of sustainability. The Plan seeks to guide the industry's development over the next decade by creating a strategic vision for its growth and development and establishing an enabling environment to help it realise that vision. It is a national Master Plan and hence deals with the broad thrust of policy and strategy and only the main initiatives and investments required to help fulfil the potential of the industry. The detailed planning of local projects and initiatives will, however, need to be carried out, using the Plan as a frame of reference.

CFTC technical assistance towards the development of the Master Plan commenced in January 1998. A Draft Master Plan was prepared and submitted to the Government of Jamaica (GoJ) in September 2000. The Draft Plan was discussed within the Ministry of Tourism and Sport (MOTS) and its agencies and the Industry Advisory Committee of GoJ. Its contents were the subject of considerable debate and discussion.

The final Master Plan was developed through a process of wide consultation not only with direct stakeholders in the industry but also with communities throughout the island. From December 1998 to June 1999 a series of consultations took place with industry stakeholders and communities to review the Stage 1 document, Diagnostics & Strategic Option. This was a major component in the development of the Master Plan. The consultations included a programme of meetings with stakeholders in each of the country's 14 parishes. From September 2000 to March 2002, a further series of national consultations took place with stakeholders to discuss and review the Draft Master Plan. The finalisation of this Master Plan is based on the feedback from these consultations and guidance from the Ministry of Tourism and Sport, the executing agency for this programme. The Master Plan was finalised in September 2002.

Note: On 25 October 2002, the Ministry of Tourism and Sport was changed to the Ministry of Industry and Tourism. Hon. Aloun N'dombet-Assamba, MP, assumed duties as Minister of Industry and Tourism, Government of Jamaica on 28 October 2002.

Marlon Lezama

Chief Programme Officer
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sustainability · strategic vision · growth · development



"The Plan seeks to guide the industry's development over the next decade by creating a strategic vision for its growth and development and establishing an enabling environment to help it realise that vision."

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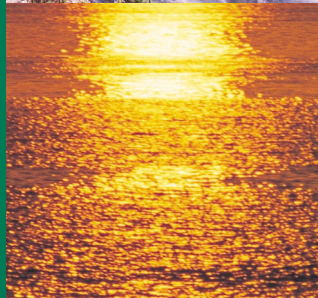
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Executive Summary

Objectives of the Master Plan

The critical objective of the Master Plan is to move the industry on to a path of sustainability. The shift from the current unsustainable development to sustainable development will require the achievement of five main objectives:

- ▶ Growth based on a sustainable market position. The industry needs to return to a path of sustained growth and to do so must develop a sustainable market position. In line with market trends, a sustainable market position must be based on Jamaica's heritage – natural, cultural, historic and built;
- ▶ Enhancing the visitor experience. The current run down resorts must be made more attractive; gaps in the product offer covered through mobilising investment; and the visitor experience made more rewarding and diverse through increasing the types and quality of attractions. The aim should be to achieve self-sustaining growth based on word of mouth referrals and high repeat visitors;
- ▶ Community based development. For sustainable development, local communities must play a major role in defining, developing and managing the tourism experience so that they take ownership of the industry and are committed to providing the visitor experience on which the success of the industry depends. Planning should be bottom-up, not top down;
- ▶ An inclusive industry. From its current perception as an exclusive industry that benefits the few, the Jamaican people should come to view the industry as inclusive, benefiting them and the country as a whole. This will call for measures that ensure that the benefits of tourism are spread widely and to promote gender equality;
- ▶ Environmental sustainability. The environment is the product. Its continued degradation threatens the future of the industry and the lives of successive generations. The industry must contribute to the preservation of the natural habitat.

To achieve the delivery of all objectives, the fundamental change that will be required is to alter the way that the industry is perceived by policy makers and leaders of the industry. Up to now, tourism has been regarded as an important industry for Jamaica because of the economic contribution that it makes. From now on, its success must be measured not only by the amount of GDP, foreign exchange and jobs it provides, but more importantly by the extent to which the industry serves as a vehicle for providing economic and social opportunities for the Jamaican people.

Growth Targets

The objective of the Master Plan is to return the industry to the rapid rates of growth achieved during the 1980s so that it outperforms the Caribbean average. The critical indicator for economic contribution is visitor expenditure. The Plan has set an ambitious target for this measure, as follows:

>> Master Plan Targets 2000 – 2010

Indicator	Baseline 2000	Growth Rate (% p.a.)	Target 2010
Stop-over Arrivals (000)	1,323	5.5	2,200
Cruise Passengers (000)	908	10.0	2,200
Visitor Expenditure (US\$ million)	1,333	8.4	2,935
Room Stock	23,640	4.0	35,000
Employment	75,000	5.7	130,000
GDP Contribution	8%	-	15%
Net forex contribution (US\$ million)	800	8.2	1,800

The targets are challenging given current market conditions but nevertheless feasible because the long term trend is for continued rapid growth of source markets. Jamaica should be able to increase market share in its main markets through a combination of:

- (i) Targeting rapidly growing markets and segments, improved market positioning and improving the effectiveness of the industry's marketing mix and sales effort, particularly for new and underdeveloped product segments and small businesses;
- (ii) Improving the competitiveness of the product on offer by assisting existing businesses to differentiate themselves from the competition and operate more efficiently and by covering gaps in the current product offer by mobilising foreign direct investment (FDI).

The marketing effort would target Europe and selected market segments in the US. Marketing would be strengthened by improved co-ordination between the three marketing agencies, stronger partnership between the public and private sectors and greater emphasis on strengthening the sales capability of small businesses.

At present, there are obvious weaknesses in the Jamaican product. To improve the competitiveness of the industry, the following initiatives are proposed:

- (i) An improved investment climate that results in a shorter and more transparent development approval process, a change from discretionary to transparent award of incentives and altering the burden of taxation from the current mix of indirect and import taxes to one based mainly on indirect taxes, helping to reduce the cost of investment and operations;
- (ii) The pro-active targeting of the large international flag chains and European hoteliers to develop large EP hotels, US operators of meetings and convention hotels to establish at least one very large hotel in Montego Bay and international investors in large entertainment, sporting and leisure complexes. Investor mobilisation would be through the preparation of investment packages that are tailored to the investment criteria of the targeted investor and through an inter-agency task force set up for this purpose;
- (iii) The launch of a programme to restructure the small hotel sector, enabling the unviable to exit the industry and the remainder to develop a competitive positioning based on the offer of a distinctive

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product. The programme would combine technical assistance with improved access to finance;

(iv) The launch of a special programme for villas, apartments and guest houses, enabling them to position themselves in appropriate marketing channels, promote their product effectively and to undertake the product development required for international competitiveness.

The critical objective of increasing visitor expenditure calls for a substantial increase in visitor expenditure outside the accommodation sector. In turn, this requires inducing US visitors to take trips outside the all-inclusives and VFR (Visiting Friends and Relatives) visitors to spend a higher proportion of their long stays in tourist accommodation and visiting attractions. Domestic tourism should be promoted to ensure that Jamaicans associate tourism with their vacations, not just with foreigners.

Enhancing the Visitor Experience

Enhancing the visitor experience to develop a sustainable market position and increase expenditure outside the accommodation sector will depend crucially upon the development of the country's heritage assets. It is these assets that tourists are increasingly seeking to visit and to which VFR visitors and the Jamaican people relate to most. Specifically, the initiatives that would be implemented to enhance the visitor experience are:

(i) Developing the country's heritage assets by combining the resources of tourism and the country's heritage agencies, with these agencies focusing on protection and conservation and tourism on developing the asset into a product. Improving the incentives for preserving and developing heritage assets;

(ii) Focusing resources on 4 heritage sites of international potential – Port Royal, Spanish Town, Falmouth and Seville. Developing scenic routes and circuits and heritage trails across the country based on nature, heritage and cultural products. Encouraging towns and communities to participate in these circuits, routes and trails based on their product offers;

(iii) Utilising tourism as the basis for urban renewal through selecting towns and villages of culture and tourism development action plan areas, and focusing resources from a Heritage Fund on to the selected sites. The launch of a Heritage Challenge Fund would help to act as catalyst and provide resources through five main windows:

- Towns & Villages of Culture, selecting one town each year to receive a significant grant contribution of up to US\$2 million towards its plans to develop into a centre for culture/heritage on the basis that the local community provide at least a 20% contribution;
- Tourism Development Action Plan Areas (TDAPs) enabling parts of towns or villages suffering economic decline to receive grant assistance towards developing tourism attractions/facilities that would accelerate economic regeneration. Three would be selected annually and receive a grant of up to US\$500,000 on the basis that the local community provide at least a 20% contribution;
- Community Based Ventures. Seed capital of US\$50,000 as grant and loan finance averaging US\$100,000 per loan for projects that meet the criteria to be classified as Community Based Ventures;
- Heritage Attractions. Providing loan finance on preferential terms for projects that meet the criteria set for culture/heritage attractions. The average loan size is expected to be US\$100,000;
- A matching grant facility to provide technical assistance in marketing and product development.

(iv) The establishment of a Heritage & Community Support Unit at the Tourism Product Development Company (TPDCo) to serve as resource for heritage tourism and to support community based ventures;

(v) Improving the major resort centres by the establishment of Resort Partnerships to provide public services and provide a framework for the private sector to redevelop the resorts in collaboration with the public sector, thus attracting investment from major domestic and international investors into the resort centres;

(vi) Providing the basis of a competitive and diverse product offer by undertaking a systematic programme of human resource development across the whole industry;

(vii) Increasing visitor security and reducing harassment by a combination of swift and severe penalties for the hard core of repeat offenders and facilitating more fruitful trade for the large number of formal and informal vendors who harass visitors in pursuit of a livelihood.

The location strategy of the Plan calls for accommodation to be concentrated in the resort centres – Montego Bay, Negril and Ocho Rios, with Kingston also as a resort centre but not slated for major growth of accommodation. It is planned also to establish smaller resorts at Falmouth, Runaway Bay, Oracabessa and Port Antonio. The concentration of accommodation should allow resources to be focused to mitigate environmental impact and to develop an attractive visitor experience. The remainder of the country would provide visitor attractions and low density accommodation.

It is recognised, however, that the resort centres have already exceeded their carrying capacity. To address the issue of carrying capacity, it is proposed to invest in environmental management measures and use the concept of Resort Partnerships to address weaknesses in social and physical infrastructure. The Resort Partnership concept provides a vehicle for combining commercial development with the development of civic infrastructure by utilising the financial resources and managerial skills of the private sector alongside the regulatory and revenue raising powers of the public sector.

It is planned to develop project packages combining commercial and civic investments and to mobilise investors through a tender process. The Urban Development Corporation (UDC) would take the lead in defining the terms on which it would welcome the private sector to invest alongside the Corporation. It owns much of the land slated for development. The two pilot projects for this initiative would be the redevelopment of Gloucester Avenue in Montego Bay and the development of a town centre and attached recreational area for Negril. The Resort Partnerships would also provide services such as waste disposal, street cleaning and the upkeep of public places. With the agreement of the local parish council and central government, the public monopoly over these services would be ended.

Community Based Tourism

The major initiatives envisaged to make local communities the basis of the planning and implementation of tourism development are:

1. Encouraging local Parish Development Committees (PDCs), community based organisations (CBOs), non-governmental organisations (NGOs) and heritage and cultural groups to participate in the resort boards. Establishing parish level sub-committees of the resort boards and empowering them to take the lead role in tourism planning and development. There would be specific budgets managed by TPDCo on which the sub-committees could draw;
2. Giving priority to ventures sponsored by or involving the community through the Heritage & Community Support Unit at TPDCo described earlier with funding to assist in the design, feasibility and financing of community based projects;
3. Improving the interface between the visitor and communities by involving community organisations in anti-harassment, including managing the resort patrols, and in public education on tourism.

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An Inclusive Industry

To spread the benefits from tourism more widely, the following measures are envisaged:

1. Increasing the amount of agricultural produce supplied to the industry through alerting farmers and intermediaries of industry needs and assisting them to meet supply requirements;
2. Assisting the development of arts and crafts, improving merchandising and business management skills of vendors and helping them access finance;
3. Assisting the large number of self-employed and small businesses in the formal and informal sector who supply goods and services to the industry improve the livelihoods they earn from the industry by working with business support agencies targeting micro and small businesses;
4. Launching a programme to ensure that all existing and new attractions, scenic routes and circuits and themed trails provide opportunities for local people to sell goods and services to visitors. This would include appropriate provision in the environmental impact assessment criteria for all tourism projects;
5. Designing a logo that would identify all infrastructure and social services provided as a result of the funds and economic rationale provided by tourism.

Environmental Sustainability

The measures recommended to achieve environmental sustainability are:

1. Undertaking the investment in all three resort centres designed to improve water quality and coral cover including collecting solid waste, pumping sewage to sea beyond the reef and building sediment traps and taking all other measures recommended in the Carrying Capacity Study to protect the environment. This would require capital expenditure of US\$8 million per resort centre;
2. Provide up to US\$0.5 million per annum to the marine park trusts to help them improve environmental protection and operate the new facilities;
3. Developing a facility to enable all businesses and homes within reach of sewerage to pay for hook-up over a five year period, with recovery of interest. Provide for 100% write-off against tax for all businesses willing to pay for hook-up;
4. Work with the accommodation and attraction operators, through their representative organisations, to establish self-regulating systems which bring peer pressure to bear on those failing to comply with planning and or environmental guidelines;
5. Increase the availability of manuals providing guidelines on measures to improve environmental impact, focusing on easily implemented measures with low pay-back periods such as energy conservation, recycling water and solid waste, use of alternative detergents and building improvements such as use of solar panels;
6. Provide a matching grant facility to assist all tourism ventures undertake environmental audits and access advice on implementing environmental improvements;
7. Work with the Natural Resources Conservation Authority (NRCA) to implement the location strategy. In particular, ensure that environmental impact assessments (EIAs) take account of the location of housing for workers of large hotels and the effect it would have on small communities without infrastructure. The ribbon development of large hotels along the coast without suitable communities for their workers to live in should be stopped as it is disastrous for the environment;

8. Implement a modified version of the Beach Policy proposed by NRCA that allows the operator to charge the full cost of maintaining the beach to the public (excluding the use of amenities), provides for carrying capacity limits and ring fences revenues from beach licences so that they are used exclusively to develop and maintain public beaches. Prevent the best beaches being given to all-inclusive hotels that charge for the use of amenities along with entry as that would kill-off small hotels and non-hotel accommodation.

The Action Plan

The institutional framework for the Master Plan would include a Steering Committee established with the delegated authority of the Prime Minister and the Development Council, chaired by the Minister of Tourism with representatives of the key ministries, agencies and the industry. The Master Plan epitomises joint government and private public partnership. This high level committee need concern itself only with policy, resource mobilisation and allocation and inter-ministerial co-ordination. Actual implementation would be carried out by sub-committees concerned with the investor mobilisation, heritage, resort development, community development and the environment. Each sub-committee would be constituted by representatives of concerned ministries and agencies and include industry representatives.

The Ministry of Tourism and Sport (MOTS) will need to ensure that the four agencies that are concerned with tourism co-ordinate their activities. All agencies need to work to the same priorities for market development, with Jamaica Tourist Board's (JTB) efforts in promotion being complemented by Jamaica Vacations Ltd (JAMVAC) in opening gateways and ensuring sufficient air capacity and Jamaica Reservations Service (JRS) in working with JTB to serve as a bridge between the industry and sales channels in the target country. TPDCo's activities would change to focus on supporting the industry develop new products, improve competitiveness, develop heritage and community based ventures and preserve the environment. Apart from the tourism agencies, Jamaica Promotions Corporation (JAMPRO) has a crucial role to play in mobilising FDI. UDC must play the crucial role in attracting FDI, developing the four major heritage sites and in developing Resort Partnerships, alongside JAMPRO and TPDCo.

The Master Plan calls for investment of US\$2 billion over its ten year life. The vast majority of this (73%) will take the form of private sector investment in commercial ventures such as additions to the room stock and developing attractions and tours. Public sector led projects will require just over US\$552 million with nearly US\$230 million required from the Government of Jamaica (GoJ). The GoJ may also have to assist local financial institutions provide loan finance as the domestic financial sector has not recovered from its crisis.

The financing of the Master Plan and GoJ's contribution will need to be discussed and agreed with the Ministry of Finance. There are a number of alternatives including raising indirect taxation. The accommodation sector currently enjoys amongst the lowest indirect taxes in the Caribbean tourism industry. Moreover, the industry would be compensated by the removal of import duty on all operating inputs, other than liquor and cigarettes, which should help improve competitiveness. But this and alternatives will need to be discussed and agreed with the industry as part of the measures to improve the investment climate. Whatever the source of funds, GoJ's contribution should be paid into a Master Plan Fund for uses proposed by the Minister of Tourism and agreed with the Minister of Finance.

Whilst the financing of the GoJ contribution is being finalised, progress can be made in the implementation of the Master Plan. There are a number of major projects that do not require significant public expenditure and yet are vitally important for delivering the internationally competitive product envisaged in the Master Plan. Progress on these projects depends on vesting public assets into commercial entities that could attract private sector finance. Examples of such projects are the four major heritage projects – Port Royal, Spanish Town, Falmouth and Seville – and the redevelopment of the three resort centres. The process of vesting these entities could be started immediately. Further, the lengthy process of mobilising foreign investment in large EP

Executive Summary

(European Plan) and meetings and conventions hotels and sports and leisure complexes can be initiated now.

It is recommended that the MOTS appoint a small team to initiate the implementation of the Master Plan. The team should comprise:

- a team leader able to galvanise the government machinery and obtain the co-operation of the various ministries and agencies. He/she should be given the delegated authority of the Prime Minister and Development Council to implement the Master Plan, following the precedent set on the Highway 2000 project;
- a tourism industry expert able to provide practical guidance on Master Plan issues to the team leader and with sufficient standing to mobilise the support of the industry;
- a communications specialist who could initiate the process of informing the public and mobilising opinion in support of the Master Plan.

The MOTS should approach donors to make available to the team, expertise in project and corporate finance, public private partnerships for urban renewal, heritage tourism projects and others, as required, on a short term consultancy basis. These short term experts would help to ensure that the team has all the necessary skills at its disposal.

In economic terms, the Master Plan is highly attractive. The growth of GDP will provide a Net Present Value (NPV) of the investment in the Master Plan of US\$780 million at a 15% rate of discount. The Internal Rate of Return (IRR) would be a very attractive 39%. Thus the US\$2 billion will be rewarded handsomely and help to make the industry the second largest sector of the economy after distributive trades. The balance of payment and employment impacts would also be strongly positive.



The success of tourism must be measured not only by the amount of GDP, foreign exchange and jobs it provides, but more importantly by the extent to which the industry serves as a vehicle for providing economic and social opportunities for the Jamaican people.

I Role and Purpose

1.1 Purpose of the Master Plan

The aims of this Master Plan are three fold:

- (i) To provide a comprehensive planning framework for the development of one of Jamaica's leading industries;
- (ii) To elaborate a vision of the future direction, shape and composition of the industry that can serve to guide the actions of the huge number of stakeholders in the industry to a common goal and purpose;
- (iii) To detail the timing and sequencing of the major programmes, roles and responsibilities of key players, institutional arrangements and resource requirements for bringing the vision to fruition.

This Plan represents the first attempt to provide a comprehensive framework for the development of Jamaica's tourism industry. Unlike other industries, the development of which can be left mainly to market forces, tourism's development has to be planned. The industry exerts such a powerful influence on settlement patterns, infrastructure and town planning and the use of natural resources that allowing development to take place unplanned can lead to social and environmental degradation. There is strong evidence to suggest that the industry's unplanned development has caused both types of degradation to occur in Jamaica.

Jamaica is characterised by a plethora of plans, the majority of which are never implemented. Common failings of these plans are that they fail to build consensus amongst the main stakeholders, do not specify mechanisms and responsibilities for implementation, and fail to address the crucial issue of mobilisation of resources. They rely mainly on Government to find resources from existing budgets and this the hard pressed exchequer often fails to do.

This Plan has been developed using a process designed by the Ministry of Tourism and Sport (MOTS) to overcome these failings. It was developed in two main phases:

- **Diagnostic & Strategy** which took stock of the industry's strengths and weaknesses and outlined strategic options for the future direction of the industry in the document Diagnostic & Strategic Options;
- **Master Plan**, the results of which are presented in this document, the main purpose of which is to detail the actions required to implement the agreed strategy.

The two stage process was designed to facilitate consultation to build consensus on the direction the industry should take. Substantial time and effort was given over to receiving comments from all stakeholders on the document Diagnostic & Strategic Options. In addition, a draft of this Master Plan was also discussed widely with all industry stakeholders and communities. Their extensive comments have been incorporated into this final document. The result is that this document reflects the considerable consensus that has emerged through the process of its preparation. It is anticipated that this final draft of the Master Plan will be discussed at a National Symposium and made available for inspection by local communities. Consultation thus remains a theme of this Plan.

This document is concerned to elaborate a vision of the industry and the actions required to realise that vision. The Master Plan focuses on mechanisms for implementation and resource mobilisation. It is hoped in this way to overcome the common shortcomings of previous plans.

1.2 Role of the Plan

The Plan is intended to cover the ten year period 2000-2010. It is a national Master Plan and hence deals with the broad thrust of policy and strategy and only the main initiatives and investments required to help fulfil the potential of the industry. The detailed planning of local projects and initiatives will still need to be carried out, using the Plan as the frame of reference.

Any document that attempts to guide the development of an industry over a ten year time-frame, as this does, cannot be prescriptive or rigid. It must have the flexibility to cope with unexpected or unforeseen developments and not attempt to micro manage the development process. The main players in the tourism industry are the private sector and the communities of Jamaica. Their creativity and anticipation of market trends are vital inputs in developing a world class industry and should not be stifled through over-prescription.

Thus the Plan does not list all the country's tourism assets or elaborate plans for their development. Communities and businesses that do not find themselves mentioned specifically should not consider it a reflection of a lack of importance given to them. It is hoped that the development of a complete list of tourism assets and plans for their development will emerge from the bottom up planning suggested in the Plan whereby local communities determine the importance given to particular tourism assets. Further, how the vast majority of tourism assets are developed will be a matter for local communities and businesses to decide with the Plan aiming to ensure that they have access to the necessary expertise and resources to do so.

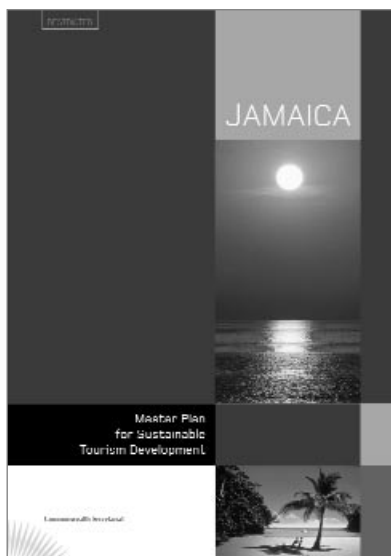
Thus the role of the Plan is to provide a strategic vision for the development of the industry and a framework through which that strategic vision can be realised. The framework for the development of the industry would constitute an enabling environment, allowing the industry to use the creativity and initiative of its stakeholders and respond to the unforeseen. The framework comprises:

- (i) Developing policies that provide the needed incentive and support to the private sector and communities to develop and invest in competitive tourism products and a regulatory framework that protects the public interest and ensures sustainability;
- (ii) Ensuring that the private sector and communities have access to the expertise and resources to develop competitive tourism products and viable business ventures;
- (iii) Creating mechanisms for mobilising resources for investments which are not entirely of a commercial nature and hence require some support from government or other sources;
- (iv) Identifying a location strategy for the industry so that the requirement for accompanying social investment, physical infrastructure, environment protection and development of the wider product can be undertaken to minimise costs and maximise public benefit;
- (v) Establishing a strong and effective structure of organisations to support the growth of the industry.

In summary, the Plan seeks to guide the industry's development over the next decade through providing a strategic vision for its growth and development and establishing an enabling environment to help it realise the vision.

1.3 Organisation of the Plan

The Plan is set out below as follows:



Chapter II elaborates the strategic vision for the industry, elaborating the main themes of the Plan;

Chapter III sets out the marketing strategy required to achieve the change in strategic direction and growth targets set for the industry;

Chapter IV sets out the measures required to improve the competitiveness and structure of the tourism industry;

Chapter V discusses the measures required to develop Jamaica's heritage assets – cultural, natural, historic and built;

Chapter VI sets out the location strategy for the industry and the mechanisms for developing resort centres. It elaborates the main themes for developing other resort areas.

Chapter VII deals with the issue of sustainable tourism addressing how to make communities the heart of the tourism product and experience, spreading the benefits of tourism and ensuring environmental sustainability;

Chapter VIII elaborates the action plan to implement the Master Plan.

II Strategic Vision

The overriding aim of the Master Plan is to place the Jamaican tourism industry on a path of sustainable development. To achieve this aim, the Master Plan addresses five key objectives. Growth based on a sustainable market position: To sustain a higher rate of growth, the industry must develop a sustainable market position based on Jamaica's heritage. Enhancing the visitor experience: The current run down resorts must be made attractive, gaps in the product offer covered through mobilising investment, the competitiveness of small hotels and non-hotel accommodation improved and the visitor experience made more rewarding and diverse through increasing the types and quality of attractions and other entertainment available. Community based development: Local communities must play a major role in defining, developing and managing the tourism experience. An inclusive industry: The Jamaican people should come to view the industry as inclusive, belonging to and benefiting them and the synergies between tourism and other industries should be maximised. Environmental sustainability: The environment is the product. The industry must contribute to the preservation of the natural habitat.

The achievement of these objectives would transform the tourism industry from a narrow focus on sun, sand and sea, based largely on all-inclusive hotels, to an Island wide industry that offers a diversity of accommodation and visitor experiences. The focus of the product would be the Jamaican people themselves and their heritage, emphasising that which makes Jamaica unique and most rewarding. The sense of 'ownership' of the industry would be widened to include the wide range of large and small businesses in the accommodation and non-accommodation sectors that derive their livelihood from tourism revenues as well as the many communities that have a stake in tourism. The industry's relevance to Jamaica would go beyond earning foreign exchange and creating jobs to providing the economic rationale for economic and social development. The industry would become the champion and enabler of sustainable resource use, leading communities and towns towards the objective of environmental sustainability. In summary, policy makers and the population as a whole would come to view the industry as providing the means for the social and economic uplifting of the Jamaican people.



The focus of the product must be the Jamaican people themselves and their heritage, emphasising that which makes Jamaica unique and most rewarding.

2.1 Introduction

This chapter outlines the strategic vision for the tourism industry that the Plan aims to help bring to fruition. It sets out the main themes of the Master Plan. It starts with a discussion of what constitutes sustainable tourism development and then outlines the main strategic objectives of the Master Plan and the measures designed to achieve them. The remaining chapters of the Plan then provide the details of how the measures described in this chapter would be implemented across the various components of the tourism industry.

2.2 Sustainable Tourism

The critical aim of the Master Plan is to move the industry on to a path of sustainability. A key finding of the **Diagnostic & Strategic Options** phase of the Master Plan was that the current development path of the industry was unsustainable for the following reasons:

- ▶ The rate of growth is tending to decline. Having outperformed the Caribbean for much of the 1980s, in the 1990s the Jamaican industry has underperformed. There is strong evidence to suggest that the Jamaican tourism industry is reaching a point in its product life-cycle that, without major product renewal, would result in low rates of future growth;
- ▶ The competitive advantage of the industry is being eroded rapidly. During the 1980s and 1990s, the growth of the industry owed much to the development of the all-inclusive product. The all-inclusive product is, however, being adopted rapidly by other Islands and the emergence of Cuba and the Dominican Republic has undermined Jamaica's position in the rapidly growing European market;
- ▶ The wider product outside the hotels is poor, failing to capitalise on Jamaica's outstanding natural, cultural, historic and built heritage. The resort centres are run down and the attractions sector dominated by a single attraction, Dunn's River Falls. Visitor harassment levels are a major concern. The visitor experience outside the hotel is not satisfactory and, increasingly, tourists are looking for more than a beach and a hotel;
- ▶ The natural environment is continuing to degrade, with concerns over water quality, the state of the reefs, the preservation of other precious habitats and the survival of natural, cultural and built heritage attractions. The continued decline of the environment will sooner or later arrest growth as Jamaica's sun, sand and sea product relies on an unspoilt environment;
- ▶ The Jamaican people do not view the industry as reflecting their aspirations or benefiting them. A JTB survey showed that whilst the industry was regarded as important by a majority of the population, only a third of respondents felt they benefited from it. Without the whole hearted support of the people, it is difficult to provide a world class tourism product.

The Diagnostic report compared these findings with the views of the World Tourism Organisation (WTO) and others on the requirements for sustainable tourism and found that the course of Jamaica's industry could not be considered sustainable. The main elements for achieving sustainable growth of the tourism industry, as set out by the WTO, are:

- the appropriateness of the type of tourism to the country in which it takes place;
- a fair distribution of benefits across sections of society, including gender equality;
- harmony with the cultural identity and interests of local people;
- the participation of all stakeholders in decision making; and
- the protection of the environment.

The implications for the Master Plan of this finding are far reaching. The way that tourism has been viewed in Jamaica up to now is not in line with the principles of sustainable tourism. In Jamaica, the focus has been on the economic contribution that tourism makes in terms of foreign exchange and jobs. The product is essentially sun, sea and sand based on all-inclusive hotels in the confines of which the visitor spends much of their stay. Little thought has been given to the type of tourism appropriate for Jamaica, the distribution of benefits, harmony with culture and local people and the involvement of stakeholders in decision making. The environment, on which sun, sea and sand depend, is being degraded. Ironically, the economic performance of the industry has not been impressive either and the product appears to be approaching a slow growth phase of its life-cycle.

Moreover, the market itself is demanding changes of the tourism product and the interface between visitors and the host community. There is a shift occurring worldwide in the tourism industry led by tourists and host communities, often termed a shift from traditional to new tourism¹. The visitor is seeking greater authentic contact with the host community and is aware of the effect he/she may have on the environment. Communities are increasingly unwilling to be the passive recipients of the growth of the industry and the effect it has on their lives. Governments have recognised that tourism is not just a cash cow to provide foreign exchange and jobs, but a genuine vehicle for social and economic uplifting. Jamaica must lead the Caribbean in this shift, as it has done in innovating new tourism products in the past. The Master Plan is intended to serve as a vehicle for enabling this shift to occur.

2.3 Strategic Objectives

Having identified these issues, to ensure consensus on the future direction of the industry and the strategic objectives set for it, the Diagnostic & Strategic Options Report set out three strategic options for planning the future growth of the industry. Extensive consultations then took place with communities and industry stakeholders to agree priorities. The three options were:

- (i) Accelerating growth so that tourism can play the lead role in economic development envisaged in the National Industrial Policy (NIP) with particular regard to serving as a lead sector of the economy, earning foreign exchange and creating employment;
- (ii) Enhancing visitor experience, through developing and diversifying the product, to improve the long-term competitive positioning of the industry and to achieve self-sustaining growth based on word-of-mouth referrals and high repeat visitors;
- (iii) Achieving sustainability through improving socio-economic integration, by putting communities at the centre of the tourism planning process and by helping to preserve Jamaica's rich heritage of the natural and built environment and its unique history and culture.

These imperatives were discussed widely with representatives of communities, national policy makers, the industry and the tourism agencies. During the course of this extensive process of consultation a consensus emerged that, at the national level, the Plan should address all three options. The economic circumstances of the country and the industry demand that growth accelerate. The way to sustain growth was to enhance the visitor experience by developing the country's underdeveloped heritage assets (natural, built, historic and cultural) and by improving the country's run down resort centres. And, there was a pressing need to involve the community in defining the tourism product, to increase the numbers of people who had a direct stake in the industry and to preserve the environment so that the Plan's central aim of sustainability could be achieved.

¹ See for instance, B. Jones, *The New Tourism and Leisure Environment*

Thus the consultations revealed strong support for the principles of sustainable development. Based on the analysis of the requirements for sustainable development and the views expressed during the consultations, the aim of sustainable development can be translated into the five specific objectives for the industry described below.

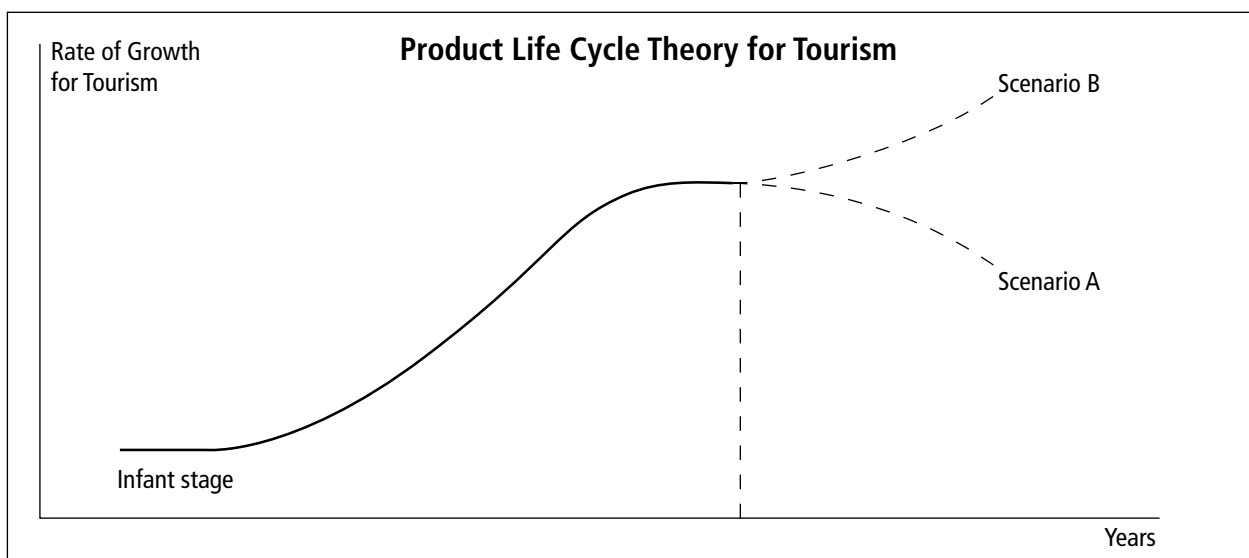
2.3.1 Growth Based on a Sustainable Market Position

The achievement of this objective should result, over the life of the Master Plan, in the Jamaican industry outperforming the Caribbean average in terms of visitor numbers and visitor expenditure. The rates of growth achieved should be high enough to make tourism the engine for the growth of the economy. To achieve this target, the market positioning of the industry must be based on promoting aspects of the Jamaican product that are distinctive and by anticipating and responding to market trends, particularly the growing fragmentation of the tourism market.

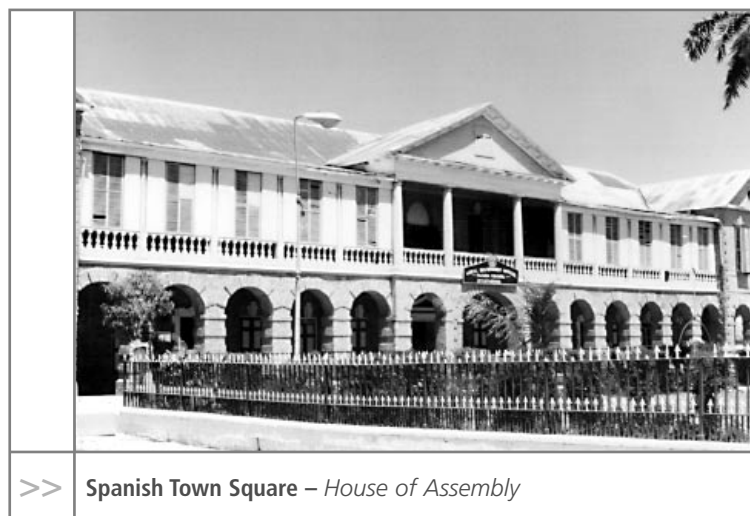
Achieving and sustaining high rates of growth requires three key conditions to be fulfilled:

- ▶ The industry must be at a rapid growth stage of its product life cycle. If the product is old and outdated and so incapable of supporting growth, no amount of marketing will deliver sustainable growth;
- ▶ The product must be competitive in terms of being able to deliver what visitors in that market segment are looking for, as measured by high rates of visitor satisfaction;
- ▶ The product must be targeted at attractive markets in which it can out-compete its rivals. The marketing of the product must bring out what is distinctive and competitive about the product.

The product life cycle thesis for the tourism industry is that development takes the form of an 'S' curve as shown below. The development of the industry is expected, after an initial infant stage, to accelerate rapidly before tailing off during a mature stage. Applying this theory to Jamaica would suggest that, during the 1990s, the industry entered the mature stage with much lower rates of growth. Certainly, parts of the accommodation sector and resort centres that were established during the 1970s and 1980s are now outdated. Left to itself, the prognosis for the industry would be to follow scenario A, with growth of visitor numbers showing further decline, or even falling as has occurred in The Bahamas. However, the product life cycle theory admits the possibility that, with planning and investment, it is possible to renew the product and so enter into a new growth phase for the industry. In these terms, the Master Plan can be seen as a way to enable the industry to enter a new growth stage. A theme of the Plan is, therefore, the renewal and modernisation of the Jamaican product.



At present, there are obvious weaknesses in the Jamaican product. The lack of large EP hotels and international flag chains, very large hotels for meetings and conventions, the poor competitiveness of a significant proportion of the small hotel sector and the failure of the industry to capitalise on investment in villas, apartments and guest houses are the most obvious. Addressing these weaknesses would substantially improve the industry's performance and the sustainability of its market position. But measures are necessary beyond the accommodation sector. The changing nature of tourists and their greater desire to learn about the country and its people means that wider tourism product is playing a far greater role in building and securing a sustainable market position.



>> Spanish Town Square – House of Assembly

Marketing can then help bring to the attention of priority markets the attractiveness and competitiveness of the country as a destination. The crucial changes in marketing would be to base Jamaica's market position on its heritage, its greatest competitive asset, and to put forward the variety that Jamaica has to offer by positioning each of the six resort areas in the market segments that they are best suited to serve. In recognition of the growing fragmentation of the market into discrete segments, marketing and sales activities will be tailored to meet the specific needs of each segment and greater priority given to supporting small businesses that cannot sell and market themselves effectively.

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2.3.2 Enhancing the Visitor Experience

To sustain the market position, the product must deliver a quality visitor experience that is unique and distinctive. The need to preserve and develop the country's unique and outstanding heritage assets – natural, cultural, historic and built – must take centre stage in the visitor experience offered. The country's run down resorts that provide examples of urban decay and social deprivation must be improved to offer a better visitor experience and harassment must be reduced further by addressing not only its symptoms but its causes.

This Plan aims to focus not only on quantity (growth) but, in the interest of sustainability, on the quality of the visitor experience. The main initiatives that would be implemented to enhance the visitor experience are to protect, preserve and develop the country's heritage assets and to showcase them to foreign visitors and domestic tourists alike. The aim is to achieve this by combining the resources of tourism and the country's heritage agencies, with the heritage agencies focusing on protection and conservation and tourism on developing the asset into a product. It is intended to invest in expertise and financial support to achieve this goal.

It is intended also to utilise tourism as a basis of urban renewal through selecting towns and villages of culture and tourism development action plan areas and focusing resources on their development. The major resort centres would be improved by the establishment of Resort Partnerships. The partnerships would bring together the powers of the public sector and the commercial acumen and resources of the private sector to invest in developing the resorts, including civic facilities, and to provide public services.

Integral to delivering a quality experience is investment in the human resource of the industry. The current efforts of the many agencies would be reinforced by better co-ordination, developing a structured approach to and standardising training and qualifications, and increasing the level of resources provided for training. The Plan aims also to increase visitor security and reduce harassment through a combination of swift and

severe penalties for the hard core of repeat offenders and facilitating more fruitful trade for the large number of formal and informal vendors who harass visitors in pursuit of a livelihood.

2.3.3 Community Based Tourism

A high level of visitor satisfaction can be delivered only if host communities take pride in the product offered and responsibility for the visitor experience. The way to achieve this is by increasing the involvement of communities in the design, development and management of the tourism product. This will help also to ensure a greater sense of ownership of the industry and hence support for the tourism industry.

The tourism experience is, above all, about human interaction. The way visitors are welcomed by the host community has a huge impact on the visitor’s total experience. The importance of this interaction is increasing as a result of the greater interest in contact with local people and their culture. Thus, physical assets are, by themselves, not sufficient to deliver a world class visitor experience. The host community must also be pleased to welcome tourists into their communities and take pride in the experience offered. This is why the WTO and other commentators insist that involving the community in the design (planning), development and management of the tourism experience is a necessary condition for the sustainable development of tourism.

In Jamaica, until now, communities have played only a minor role in the development of the tourism experience. Although there are numerous community based tourism projects and communities have been consulted on major tourism projects, there is no formal mechanism for their involvement in the planning, development or management of the tourism experience. The closest that communities come to playing such a role is if their organisations are represented on one of the six Resort Boards established by GoJ to bring together private and public tourism interests and local communities. The Resort Boards tend, however, to be dominated by tourism interests and, with the exception of the few, tend to have limited community inputs.

To ensure stronger community involvement in the planning, development and management of tourism in



Jamaica, the Master Plan aims to strengthen the community presence on the Resort Boards and co-ordination between the Resort Boards, parish councils and Parish Development Committees (PDCs) established by the Social Development Commission (SDC). To empower the Resort Boards to take leadership in the design and development of the visitor experience, it is intended to let them take the lead in overseeing the content and strategy for resort marketing undertaken by the JTB. In addition, they will be allocated sums to be spent on developing the visitor experience in each parish based on local (rather than

national or regional) priorities. Ventures sponsored by or involving the community would be eligible for

receiving finance on preferential terms and technical support from a Community Support Unit at TPDCo. The Resort Boards would be made responsible for all aspects of the interface between the visitor and local people, including involving local organisations in the management of anti-harassment and the resort patrols.

2.3.4 An Inclusive Industry

To increase the sense of ownership of the industry, it is essential that the benefits of the growth of the industry are spread more widely. Within the tourism industry, the share of underperforming sub-sectors such as small hotels, guest houses, villas and apartments, food and beverages, leisure and entertainment, sports and transport must be increased. Further afield, the linkages with arts and crafts, agriculture and small businesses generally need to be improved. Improving these linkages with other sectors would help also to increase the role played by tourism as a lead industrial sector in pulling through other sectors of the Jamaican economy and so its effect on economic development generally. Gender equality must be ensured through training and career policies and by supporting women entrepreneurs.

For the wider public to support the tourism industry and so act as good hosts, it is important that they perceive themselves to have a stake in tourism and believe themselves to benefit from it. As noted above, the majority of the Jamaican people do not consider themselves to benefit from the tourism industry. The main cause of this lies in the fact that most Jamaicans do not have a direct stake in the industry: it benefits them indirectly through earning foreign exchange and contributing to taxes.

Tourism has the potential to become a tool for economic and social uplifting of the people of Jamaica. If it can play such a role and that role is brought to the attention of the people of Jamaica, a far greater number would consider themselves as benefiting from the industry and so, hopefully, would be committed to the delivery of an excellent visitor experience. The Master Plan attempts to enable the tourism industry to play the role of providing the means to social and economic uplifting through a combination of improving the linkages between tourism and other industries, improving the opportunities for local people to sell goods and services to visitors and using tourism to make viable investments in civic facilities. It is planned also to make visible the impact that tourism has on social conditions by publicising more widely the role it plays in developing civic facilities and strengthening the JTB's educational programme in schools.

The spreading of benefits has an important gender dimension. In common with much of the world's tourism industries, women are concentrated in the lower rungs of the industry. There is a need in the provision of training and the development of career progression policies to ensure that women are encouraged to develop their talents and to put them to effective use.

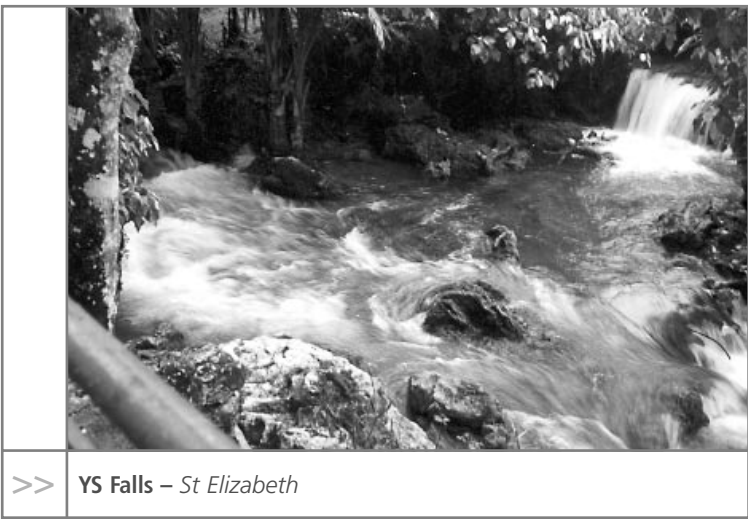
2.3.5 Environmental Sustainability

Few industries in Jamaica are more reliant on the preservation of the environment for their continued development. For the sake of its own narrow self-interest, if not a genuine commitment to safeguarding the environment for future generations, the tourism industry must lead the country in achieving environmental sustainability, ensuring it minimises its environmental impact and helping to mitigate the effect of environmental damage caused by other activities.

For any tourism industry to sustain itself, protection of the environment must be considered a necessary condition. Surveys reveal that an unspoilt environment is an important factor in the choice of destination of a high proportion of European and US visitors. For industries, such as Jamaica's, that rely on the environment to provide their sun, sand and sea product, protecting the environment is not just a necessary condition for sustainability, but must be regarded as an essential expenditure on the maintenance of the product. Whilst the Jamaican industry has made major strides in improving the environmental impact of some of its plant, there are serious and growing concerns over the decline in the quality of the environment taking place in the resort

centres and around major attractions such as Dunns River Falls.

The starting point for achieving environmental sustainability long term is the physical location of the industry. This determines the stress put on the environment by visitors and the economics of providing infrastructure to mitigate the stress. The aim is to keep visitor numbers to levels within the carrying capacity of each resort without having to provide infrastructure throughout the Island. The location strategy of the Plan calls for accommodation to be concentrated in the resort centres – Montego Bay, Negril and Ocho Rios, with Kingston also a resort centre but not slated for major growth of accommodation. It is planned also to establish smaller resorts at Falmouth, Runaway Bay, Oracabessa and Port Antonio. It recognises, however, that the resort centres have already exceeded their carrying capacity and that increasing social and physical infrastructure and improving environmental management are pre-conditions to further growth.



In the three major resorts centres, it is planned to invest in environmental impact measures such as extending and upgrading the provision of sewerage and the extent of hook-up to the system by hotels, businesses and residents. Further, investment would be made to improve the quality of water off the beach through improving solid waste collection and disposal in squatter communities and building sediment traps on the rivers. It is intended to contribute tourism’s resources to enable the marine parks to function effectively.

The overriding objective of the location strategy is to prevent the ribbon development of large hotels along the coast. That process will destroy the environment even if the hotel itself is environmentally friendly, certified to Green Globe or ISO 14,000. The impact these hotels have on neighbouring communities, by encouraging their workers to settle in them, causes environmental blight. Further, the practice of awarding beach licences for the country’s best beaches to all-inclusive hotels must be stopped. It will kill off small hotels and non-hotel accommodation and antagonise the Jamaican people. A better way is to develop public beaches, using the revenues from hotel licences, as described in this Plan.

Within the industry, there would be incentives available to conduct environmental audits and implement environmental improvements. The industry would be expected to use its resources to disseminate best practice and to monitor and self-regulate environmental violations.

2.4 Master Plan Targets

2.4.1 Growth Targets

The objective of the Master Plan is to return the industry to the rapid rates of growth achieved during the 1980s. During that period, the Jamaican industry had been one of the fastest growing in the Caribbean, outperforming the average for the Caribbean. As set out in the Diagnostic & Strategic Options report, the period 1990-1999 witnessed the slow-down of growth in Jamaica and the industry underperformed the Caribbean average. Even in the year 2000, when the industry achieved over 6% growth, the Caribbean average growth was higher at 7.5%.

The Master Plan intends to reverse the trend of slow growth and underperformance. The main growth targets for the industry are shown in Figure 2.1 below.

Figure 2.1

>> Master Plan Targets 2000 – 2010			
Indicator	Baseline 2000	Growth Rate (%p.a.)	Target 2010
Stop-over Arrivals (000)	1,323	5.5	2,200
Cruise Passengers (000)	908	10.0	2,200
Visitor Expenditure (US\$ million)	1,333	8.4	2,935
Room Stock	23,640	4.0	35,000
Employment	75,000	5.7	130,000
Occupancy	59%	-	69%
Share of GDP	8%	-	15%
Net forex contribution (US\$ million)	8.2	8.2	1,800

Notes: (1) Estimate of direct share of GDP based on *Tourism in Economic Analysis*, 1997. Tourism's actual share of the economy may be higher. An estimate based on 1992 data put it as high as 13%. However, this is the latest estimate available.

The target for the Master Plan is to achieve annual growth of visitor arrivals averaging 5.5% p.a. This represents an annual rate of growth of stop-over arrivals that is approximately double the rate achieved over the 1990-1999 period, 2.6% p.a. The key growth target for the industry is, of course, visitor expenditure. It is this indicator that determines the rate of growth of value added and hence the economic contribution of the industry. And, it is a good indicator of the foreign exchange earned by the industry. The overall target for visitor expenditure is therefore ambitious, set to reach nearly US\$3 billion by 2010, growing at a rate of 8.2% p.a.

The industry's contribution to GDP is expected to grow slightly faster than visitor expenditure. The Plan aims to increase the proportion of visitor expenditure outside the accommodation sub-sector from 40% to 50%, particularly on attractions, other entertainment and leisure and transportation, sub-sectors of the industry with higher value added and hence contribution to growth than the accommodation sector. The latest estimate of the industry's share of GDP put the figure at under 8%. Though the figure is disputed, it is the only recent estimate available. Based on this estimate, tourism is currently the fourth or fifth largest industry in Jamaica after the distributive trades, utilities and construction, manufacturing and agriculture. Over the ten years, the industry should increase its share of GDP to 15% and challenge manufacturing as the second largest sector of the Jamaican economy.

Foreign exchange earnings are targeted to grow at the rate of growth of visitor expenditure (8.2% p.a.) and net foreign exchange earned by at least that rate due to the shift in the pattern of visitor expenditure noted above. The priority sub-sectors have a lower import propensity than accommodation.

The rate of growth of room stock is likely to lag behind the growth of stop-over arrivals as room occupancies remain below those required for viability, particularly in non all-inclusive hotels, small hotels under 50 rooms and hotels outside the three major resorts of Montego Bay, Ocho Rios and Negril. Though accurate occupancy figures for guest houses, villas and apartments are not available, they too are reported to be below those required for long term viability. The target for growth in room stock is thus set at a comparatively low 4% p.a.,

below the rate of growth of stop-over arrivals to allow occupancy levels to recover. In aggregate, hotel occupancy is projected to increase to 69% in 2010, with all-inclusives achieving their viability benchmark of 75% and other hotels, an occupancy level of 62%.

The rate of growth of employment is expected to be higher than room stock as the proportion of visitor expenditure outside the accommodation sector is projected to rise rapidly. Employment per dollar of visitor spend is higher outside the accommodation sector. Overall, direct and indirect employment in the industry is expected to increase at an annual average rate of nearly 5.7% per annum faster than the rate of growth of Jamaica's workforce. The industry should, therefore, make an important contribution to reducing unemployment.

2.4.2 The Feasibility of Growth Targets

The targets set out above have been the subject of considerable debate and comment since they were first proposed in the Draft Master Plan. There was a considerable body of opinion that felt that they were too low. Those proposing higher targets pointed to the fact that, without the Master Plan, the industry had managed over 6% growth in 2000. With the Master Plan and the considerable volume of investment it envisages, the rate of growth should be considerably higher. There was a smaller body of opinion that believed that the target was too high. This school of thought either regarded the targets as being too high in the light of recent changes in market conditions or cited the extent of environmental damage in the resort centres and suggested that there should be a moratorium on growth.

The guiding principle used to set the targets is that they must be realistic yet challenging. If they are impossible to achieve, they would soon lose relevance for serving as a guideline for planning and yet they must be high enough to make tourism the lead industry of the economy. A realistic assessment of the growth prospects of the industry depends upon projected growth of source markets and the ability of the Jamaican industry to capture market share, particularly from other Caribbean competitors. Until recently, prospects in Jamaica's main source markets in the USA and Europe have been very favourable. Stop-over US and Canadian visitors to the Caribbean were forecast to grow at an average 4%-5% p.a. over the next few years and Europeans even faster at 8%-9% per annum. Cruise tourism was expected to grow rapidly in the coming years, particularly in the Western Caribbean, with growth rates of 8% to 10% per annum.

With the downturn in economic growth in the US, Canada, Europe and the world economy generally since early 2001, these projections were being revised downward. As against the 7.4% growth in visitor arrivals in the year 2000 worldwide, the WTO estimated that growth fell to 2.5% in the first six months of 2001. The terrorist attacks on the US on 11 September 2001 and the attendant sharp decline in air travel worldwide require a further reassessment of all projections for source markets.

The critical market for Jamaica is the USA. It was the rapid growth of this market in the year 2000 that enabled Jamaica to record the over 6% growth of visitor numbers. Growth in the US travel market was considerably lower in 2001 as a result of much lower economic growth and the terrorist attacks. The growth of the US economy in 2001 is in the range of 1.0%-2.0%, as against the over 3% growth achieved in 2000. Concerns over the safety of air travel have resulted in very sharp declines in the number of airline passengers and many airlines are retrenching fleets and staff. Airlines are reporting 30%-40% falls in US air passenger numbers.

It is likely that the effect of the 11 September 2001 terrorist attacks on air travel would be longer lived than the Gulf War of the 1990s, as the attack took place on US soil and was air based. Measures to improve security at airports and introduction of new anti-hijack devices and procedures have helped in this regard.

The European countries have also experienced slower growth since 2001 and particularly Jamaica's main source markets, the United Kingdom, Germany and Italy. These markets have also been affected by the terrorist attacks but less so than the USA. The Caribbean is, however, viewed as a relatively safe destination but

they are not likely to resume rapid growth as economic conditions in these countries are likely to remain challenging.

The Caribbean Tourism Organisation (CTO) has forecasted a projected rate of growth for Caribbean arrivals of just over 4% per annum for the period 2000-2010. This, however, is likely to be difficult to achieve. With the fall in Caribbean arrivals after 11 September 2001, it will take a few years to return to the 4%-5% growth of the late 1990s. For Jamaica to achieve the target growth rate of 5.5%, it will therefore need to increase market share significantly at the expense of its main Caribbean rivals. Over the 1990s, Jamaica maintained its market share in the US but lost market share in Europe, in aggregate, underperforming the Caribbean, even in 2000. The Master Plan aims to reverse this trend of underperformance, but it would be difficult for Jamaica to capture market share from other Caribbean destinations to exceed the 5.5% per annum target set for this Plan. This target is considered to be challenging but realistic.

The growth of tourism, one of the country's lead industries, is essential for the recovery of the economy as a whole so that jobs are created and resources made available to combat social deprivation. The growth imperative was strongly endorsed during the consultation process by all sections of Jamaica, industry stakeholders as well as local communities.

2.5 The Attitude Towards Tourism

2.5.1 The Role of Tourism

The achievement of the change in priorities and direction that this Master Plan calls for requires, above all, a change in attitude towards the tourism industry. A prerequisite for successful implementation of the Master Plan is to alter the way that the industry is viewed by policy makers, leaders of the industry and the Jamaican public. Up to now, tourism has been regarded as an important industry for Jamaica because of the economic contribution that it makes. From now on, its success must be measured not only by the amount of GDP, foreign exchange and jobs it provides, but more importantly, by the extent to which the industry can serve as a vehicle for the economic and social uplifting of the Jamaican people.

Up to now, the industry has been viewed by the Jamaican people and policy makers as being exclusive, belonging to a narrow set of people, an enclave limited to the coast. The aim of the Master Plan is to change that perception to make the industry inclusive, reflecting their aspirations, with wide participation and delivering a product that they can enjoy. Further, the role tourism plays in making affordable social services and civic infrastructure has largely failed to be recognised as the resort centres have themselves been neglected. The Master Plan aims to change this by demonstrating how tourism can help to bring social benefits to the towns and communities in which it takes place.

2.5.2 Tourism for Jamaicans

In the past, the emphasis of the tourism industry on earning foreign exchange has led to the neglect of domestic tourism. The low purchasing power of the average domestic consumer has made this an unattractive market for the industry. Unwittingly, this has contributed to a poor tourism experience. Tourism has come to be regarded as an experience offered to foreigners, mainly white Caucasians. This has alienated large numbers of Jamaicans. In addition, concerns over safety and security have undermined the range and quality of entertainment on offer to local people.

The lack of entertainment and poor attractions on offer in many Jamaican resorts can be traced to the decline of interest amongst Jamaicans, not to the all-inclusive hotels as commonly believed in Jamaica. The number

of bed nights sold outside the all-inclusive hotels has increased yet all, including local people, complain of the decline in entertainment. An industry whose products are not enjoyed by local people cannot offer the foreign visitor the ambience that makes for a rewarding vacation and is not sustainable.

Increasing the participation of Jamaicans as consumers of the tourism product is a vital objective of the Master Plan for social and product quality reasons rather than generating growth. Greater emphasis on developing attractive and secure resort centres, events and heritage attractions, combined with greater domestic marketing form a crucial part of the Master Plan.

2.5.3 Co-operation and Continuity Partnerships

The objective of transforming the tourism industry from an enclave industry to an instrument of social and economic uplifting requires the close co-operation of many government agencies. The preservation and development of culture, nature and built heritage will call for the agencies responsible for these fields to work closely with the MOTS and its agencies. Development of the resorts can only be achieved through a partnership between central and local government, public and private sectors and a range of industries. Community based tourism can only work if the community based organisations and local government institutions participate actively. Building an inclusive industry requires the commitment of many industries, types of business and their representatives. And environmental sustainability is only possible with the co-operation of the NRCA, National Water Commission, ENGOs, Environmental Non-Governmental Organisations, marine parks and community based organisations.

This Plan has, in Chapter VIII, suggested structures that would enable the large number of organisations and stakeholders to come together in formal and ad hoc bodies. But for these structures to be effective, participating organisations must approach them with a spirit of commitment. It will be up to politicians, senior civil servants and leaders of industry to lead others by example and co-operate with the suggested bodies in implementing the Master Plan.

Jamaica has suffered frequently through a lack of continuity of policy. The two excellent national plans were never implemented because the government changed. It is essential that this Plan is viewed as above party politics. We have attempted to consult both opposition parties at each stage of the preparation of the Plan. It is essential that this bipartisanship be maintained throughout the Plan period.

2.5.4 Self Reliance

The principle of sustainability applies also to the financing of the Plan. Reliance on the Government to fund the Plan through the Consolidated Fund would ensure that the Plan is unable to achieve its objectives, not because GoJ fails to give sufficient importance to tourism or the Plan, but because the exchequer is unlikely to have the resources to do so. No matter how committed the Government is to tourism, it is impossible for policy makers to invest large sums in tourism when basic needs such as education, housing and health care are not met, as is the case in Jamaica. The Master Plan must look to raise and spend monies outside the Consolidated Fund, otherwise the required investment in the Plan may not be sustained.

2.6 Conclusions and Recommendations

The main conclusions that follow from this chapter are that the current path of tourism in Jamaica is not sustainable. Based on the principles of sustainable tourism developed by the WTO and others, a major change is required in the objectives for the industry. This Master Plan identifies five themes that would help ensure sustainable tourism development:

- ▶ **Growth based on a sustainable market position.** Jamaica must be appropriately positioned in attractive market segments to enable it to compete against its rivals;
- ▶ **Enhancing the visitor experience.** The visitor experience must, in line with the market position, feature that which makes the country unique and attractive;
- ▶ **Community based development.** For sustainable development, local communities must play a major role in defining, developing and managing the tourism experience so that they take ownership of the industry and are committed to providing the visitor experience on which the success of the industry depends;
- ▶ **An inclusive industry.** Linkages with allied sectors such as tourism, sport, transport, crafts, and shopping and with other industries such as agriculture and manufacturing should be made stronger and small businesses encouraged to participate in the industry;
- ▶ **Environmental sustainability.** The environment is the product. Its preservation requires adherence to a location strategy that concentrates rooms and the investment of resources to help mitigate environmental impact in the three major resort centres. The industry must be provided with an incentive and the expertise required to adopt best practice on environmental issues.

The Master Plan has set ambitious targets for growth. There has been much discussion of these targets in Jamaica. The recent terrorist attacks in the US have made it necessary to re-examine these targets. It is our view that whilst before the attacks, the targets may have been considered conservative, at present, they are ambitious but still achievable. These targets need to be reviewed and updated regularly.

The adoption and implementation of the five themes of the Master Plan would transform the tourism industry from a narrow focus on sun, sand and sea to an industry capable of offering a diverse range of exciting visitor experiences. The focus of the product would be the Jamaican people themselves and their heritage. This is what makes Jamaica unique and most rewarding. The sense of 'ownership' of the industry would be widened to include the wide range of large and small businesses in the industry, ancillary sectors and supplying industries that derive their livelihood from tourism revenues as well as the many communities that have a stake in tourism.

The industry's relevance to Jamaica would go beyond earning foreign exchange and creating jobs to playing the lead role in economic and social development. The industry would become the champion and enabler of sustainable resource use, leading communities and towns towards the objective of environmental sustainability. In summary, policy makers and local communities would come to view the industry as providing the means for the social and economic uplifting of the Jamaican people.

The key policy level measure required to achieve this is to change attitudes towards the industry so that:

- ▶ Policy makers see it as more than just a cash cow that delivers foreign exchange, but as a vital tool for economic and social development;
- ▶ The Jamaican people view it as belonging to them, showcasing their heritage and reflecting their aspirations;
- ▶ The industry leaders recognise that they must engage in a real partnership with government whereby GoJ is responsible for putting in place an environment and they a product that enables a world class industry to develop in Jamaica. This partnership must extend to both committing resources for investment. In the present circumstances, the industry must realise that GoJ can only increase investment if it is able to raise additional funds, as described in Chapter VIII.

The MOTS needs to spearhead this change in attitude by embarking on dialogue and discussion with policy makers and leaders of the industry, and an education programme for the people of Jamaica regarding the role and sustainability of tourism.



Greater emphasis on developing attractive and secure resort centres, events and heritage attractions, combined with greater domestic marketing form a crucial part of the Master Plan.

Master Plan for Sustainable
Tourism Development

JAMAICA

>> Chapter III:

Marketing Strategy

III Marketing Strategy

The critical objective of the marketing strategy is to help Jamaica achieve rapid growth based on a sustainable market position. Sustainability requires a better balance between the US and European markets and an up market positioning of the country based on its rich heritage. Jamaica cannot compete on price against its major rivals. Growth is likely to be modest in the immediate future due to difficult market conditions. This period must be used to position the industry so that it is able to achieve very rapid growth when market conditions improve. As recognised in the JTB Corporate Plan, the increasing fragmentation of the market calls for a segment based approach to marketing. It is recommended that small hotels, non-hotel accommodation and resort areas such as Portland, the South Coast and St Thomas be promoted as part of packages put together for segments of the market such as mature, VFR, African American, nature and adventure and the independent traveller to which they are suited. Marketing and sales need to be better integrated with JRS's telemarketing capability harnessed to support the industry's small businesses. The internet must be used for both marketing and, over time, sales. MOTS needs to give greater strategic direction to the agencies and relate budgets to strategic goals. The major policy issues to be resolved are reducing the restrictions on seat only travel, stability of budgets and the future financing of JTB's destination promotion activities.

3.1 Introduction

This section sets out the marketing strategy required to accelerate growth and to position Jamaica as a leading Caribbean destination. It starts with summary of the diagnostic of markets and marketing presented in the report Diagnostic and Strategic Options. It then sets out growth targets, examines marketing priorities, the initiatives required in the major markets, considers market positioning and mix, institutional relationships and budgets.

3.2 Key Findings of the Diagnostic

3.2.1 Performance

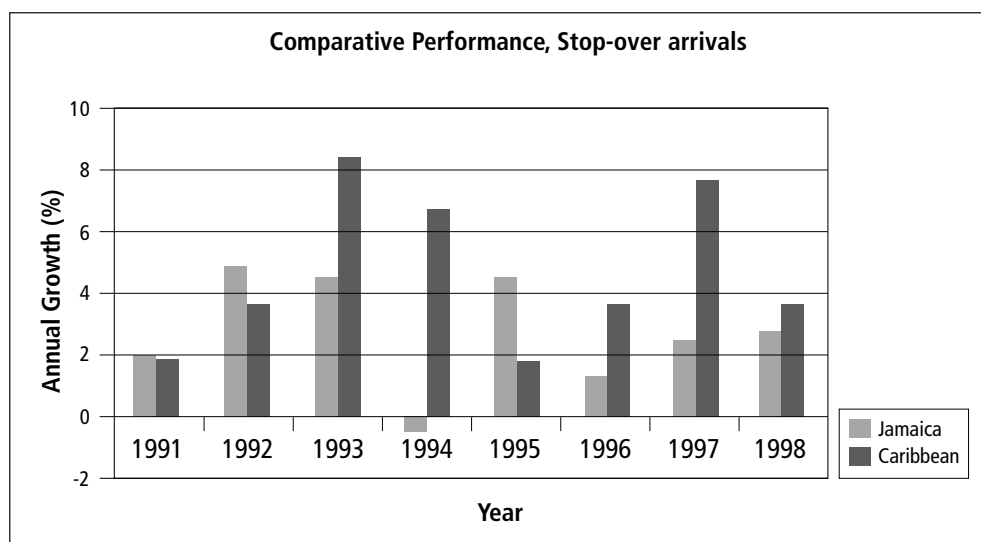
Jamaica ranks as a major tourism destination in the Caribbean, as follows:

>> Jamaica's Position in the Caribbean		
	1998	Caribbean Rank
Rooms	22,715.0	3
Stop-over Arrivals (000)	1,225.3	6
Cruise Passengers (000)	673.7	5
Tourism Expenditure (US\$ million)	1,197.1	5

Figure 3.1

Over the 1990 – 1998 period, Jamaica underperformed the Caribbean. Growth of stop-over arrivals has averaged just 2.7% per annum in Jamaica as against a Caribbean average of 4.5% p.a. (Figure 3.2). Even in 2000, when Jamaica achieved over 6% growth, it underperformed the Caribbean which recorded growth of 7.5%.

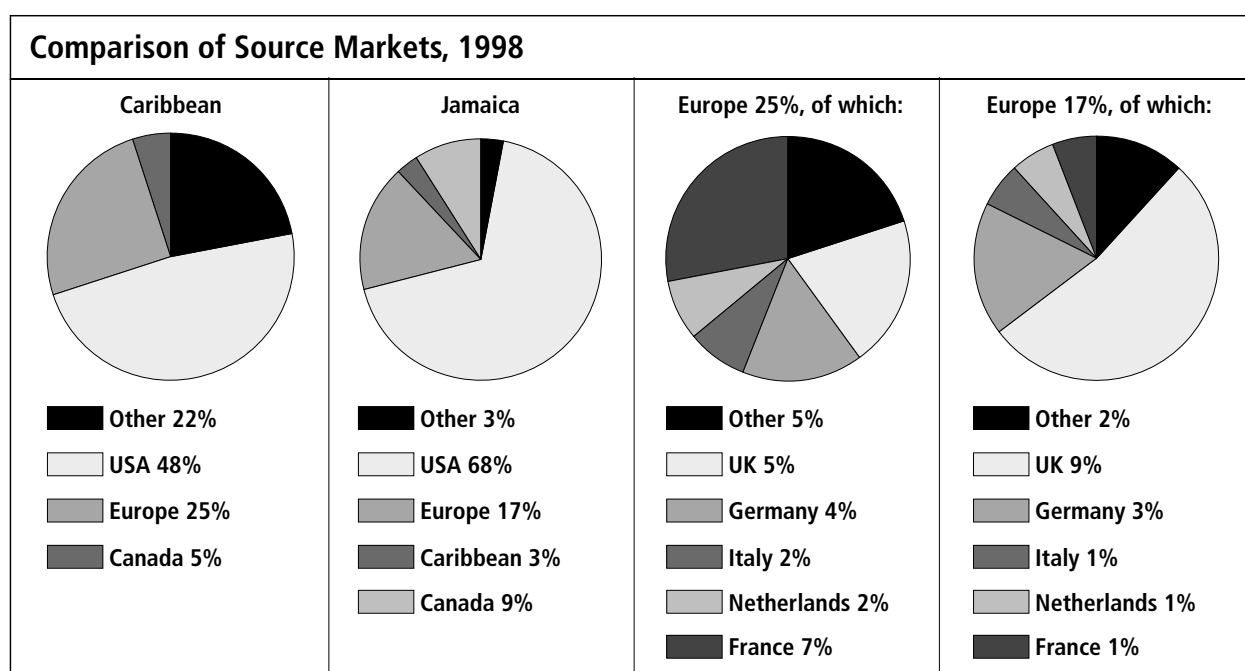
Figure 3.2



The principal cause of Jamaica underperforming the Caribbean has been the failure of the country to benefit from the sharp increase in visitors from Europe that has led to the strong growth of visitor numbers to Cuba and the Dominican Republic. Growth of European visitors to the Caribbean has averaged 9.3% per annum between 1992-1998, as compared to growth of visitor arrivals from Europe of only 2.1% per annum to Jamaica. European visitors now account for 25% of visitor arrivals to the Caribbean, as against only 17% for Jamaica (Figure 3.3).

The failure to capitalise on the growth of the European market and the decline in market share result from a combination of lack of resources on the part of the JTB and neglect on the part of the industry. The lack of large European Plan (EP) hotels in Jamaica and pricing policies that do not take account sufficiently of the longer stay and off-peak demand generated by European tour operators has also led to Jamaica being comparatively more expensive than Cuba and the Dominican Republic for European visitors. There is also a shortage of direct air links with countries such as France.

Figure 3.3



Jamaica should be able to succeed in both the US and European markets. The major characteristic of the US market is the very short holiday entitlement (2 weeks) of most Americans and their need therefore for short breaks with all their flights, accommodation, food and recreational needs catered for. Jamaica's proximity to the US and its all-inclusive product are ideal for this market and the US travel trade has focused on this product because of the poor visitor experience outside the hotel, particularly harassment. In addition, the larger commissions earned by travel agents on the all-inclusive as against EP product, makes this the product of choice that the travel trade recommends to US visitors. In this market, the focus of promotion is consumer advertising as the travel trade is fragmented.

In contrast, holiday entitlements in Europe are six weeks or more in Italy, Germany and the Netherlands and between 4-6 weeks in other countries. Europeans therefore tend to take longer holidays and search for a variety of different experiences in their destination of choice. Long haul travel is growing rapidly and visitors seek a diversity of cultural, natural and historic attractions to complement sun, sea and sand. This plays to Jamaica's strength of richness and diversity of visitor experience. The travel trade is highly concentrated and promotion needs to be undertaken jointly with the major tour operators.

Canada, Jamaica's third major market after the US and UK, has characteristics in between the US and Europe. Holiday entitlements are not as long as Europe, but are longer than the US. Canadian visitors tend to look for variety in a destination. Their travel trade is extremely concentrated, with major vertically integrated travel companies similar to Germany's.

3.2.2 Market Segmentation

The major market segment remains sun, sand and sea in all markets. Though growing rapidly, other segments of the market such as nature, culture and other heritage-based tourism remain niche sectors of the market. Sports and adventure, health and other speciality markets remain comparatively small, though golf and the dive market are now emerging as niche segments in their own right and there is widespread interest in adventure as part of a vacation. For international travel, the size of the market for nature-based or eco-tourism, for example, estimated at 46 million visitors worldwide, is less than 10% of the total market. Figures such as the claim that 40%-60% of all international travel is eco-tourism² have little basis in fact. These niche segments are not likely to generate large numbers of visitors to Jamaica in themselves. Jamaica does not have outstanding assets that would draw large numbers of visitors with these special travel motives, though undoubtedly, it could attract visitors in their tens of thousands, particularly if nature tourism is combined with sun and sand.

However, the growth of these niche segments is an indication of the increasing fragmentation of the tourism market. The visitor is increasingly looking for a richer experience from the destination, even if the prime travel motive remains sun, sand and sea. Further, within the prime travel motive, important sub-segments are emerging based on demographics, education, income levels and attitudes and behaviour. These sub-segments require specialised products.

For Jamaica, the most important travel motive after sun, sand and sea is to visit friends and relatives (VFR). The precise number of VFR visitors to Jamaica is not known as many visitors with foreign passports also travel to visit friends and relatives. In total, based on an analysis of where visitors stay, the VFR travel motive may well be of the order of 30% of total visitors to the Island each year, representing some 350,000 visitors. In the VFR market, Jamaica could increase the number of visitors that combine visiting friends and relatives with other tourism motives such as sun and sand, nature, culture and other heritage products. In future, the JTB should attempt to collect data on total VFR visitors covering non-resident Jamaicans and foreign visitors travelling to visit friends and relatives.

² The term nature tourism refers to all tourism in which the prime travel motive is to visit natural attractions – places of outstanding natural beauty or spectacle, fauna and flora. Eco-tourism is defined as that sub-set of nature tourism in which a part of the proceeds is reinvested in the preservation/conservation of the natural asset.

Distribution channels, in the shape of travel agents and tour operators, vary according to the segment of the market with the specialists competing against mainstream providers for market share. For example, the independent travel segment that accounts for up to 30% or more of the UK and Italian markets, is served by specialist travel agents, able to put together packages of flights, accommodation and car hire to the consumer's specification. They compete also with tour operators that may serve the mainstream market but have developed specialist products for these segments. The VFR market is served mainly by specialist travel agents.

3.2.3 Market Position

Overall, visitor satisfaction levels are in line with other destinations, with over 60% of respondents in the JTB Visitor Satisfaction Survey stating that they would definitely recommend Jamaica to friends and relatives. The level of repeat visitors at 40% is high by Caribbean standards. However, with VFR accounting for 30% or so of visitors, the figure for repeat visitors should not be viewed as testament to the attractiveness of the destination. In fact, it points to a low level of repeat visits by visitors with other travel motives.

The major competitors to Jamaica in the Caribbean are Cuba, the Dominican Republic, the Cancun coast of Mexico and to a lesser extent, Puerto Rico as the latter caters principally for very short breaks (3-4 days) for US visitors. Cuba, Cancun and the Dominican Republic have a distinct price advantage over Jamaica. A new threat is emerging in the form of all-inclusive hotels being built on other Caribbean islands. However, Jamaica's ability to offer culture, nature and heritage-based products, entertainment, sports, and adventure tourism should allow the country to differentiate itself from most other Caribbean destinations. Jamaica is not by any means the most price-competitive destination and therefore its positioning must focus on differentiating the product from its rivals in the Caribbean.

The principal threat to Jamaica is from the potential opening up of Cuba to the US market. The presence in Cuba of competitively priced hotels along with the country's proximity to the US market and the ability to match Jamaica in the diversity of visitor experience represents a major threat. There are growing signs that relations between the US and Cuba are on the mend.

3.2.4 Cruise Tourism

Having underperformed the Caribbean for much of the 1990s, from 1998, the growth of cruise tourism in Jamaica has accelerated. Between 1998 and 2000, the Jamaican industry recorded 34% growth in cruise arrivals, substantially outperforming the Caribbean average growth of 27%. The economic slowdown in the US had affected the growth of cruise tourism even before the recent terrorist attacks but the prospects, longer term, are favourable. Despite its recent growth, the cruise market remains in its infancy. High rates of growth (7%-8%) are projected for cruise berths by the industry over the next decade. Jamaica's location in the Western Caribbean makes it an ideal destination for the short (3-7 days) cruises that are the fastest-growing segment of the North American cruise market. The country's main limitation is the poor visitor experience it offers at its major cruise ports of Ocho Rios and Montego Bay. This has prevented the destination from benefiting from the shop window that a cruise provides for stop-over holidays. Nevertheless, demand for Jamaica remains strong because of its location.

3.3 Priority Markets

3.3.1 Visitor Arrivals

The principal market for Jamaica must remain the United States. The proximity to the US, the strong demand for winter sunshine, the potentially large size of the US market and Jamaica's ability to cater for the short, all-inclusive holidays that US visitors demand mean that the US market will remain the major source market for Jamaica. However, it is vitally important that Jamaica improve its market position in the European markets.

Over reliance on the US market makes the country vulnerable to periodic slowdowns and downturns in that market. The European market has been the fastest growing source market for the Caribbean. European visitors have considerably higher average length of stay than US visitors and hence the potential to generate higher expenditure per visitor³. Increasing the proportion of European visitors may therefore boost average visitor expenditure. Jamaica's comparative advantage in offering a rich variety of visitor experience is best suited to the European market. European visitors also spend a higher proportion of visitor expenditure outside the accommodation sector, three times more likely in the case of tours. The growth of European visitors would thus help develop the ancillary sectors of the tourism industry.

Over the whole Plan period, the target is to increase the share of European visitors from the current 16% to 20% and to reduce the reliance on the US market. Compared with the Caribbean average of just under 50%, Jamaica is likely to remain more dependent on the US market, but the proportion of US visitors should start to fall, declining from the current 70% to 66% in 2010. Figure 3.4 below sets out targets for the growth of stop-over arrivals by market over the Plan period.

Figure 3.4

>> Growth Target for Stop-Over Visitors, by Source Market						
Market	Visitors 2000 (000)	Growth Rate %	Visitors 2005 (000)	Growth Rate %	Visitors 2010 (000)	2010 (%)
USA	942.6	1.5	1,015.0	6.5	1,445.0	66
Canada	107.5	3.5	120.0	10.0	195.0	9
UK	135.3	4.0	155.0	11.0	260.0	12
Germany	25.2	2.0	40.0	10.0	65.0	3
Italy	14.8	3.5	17.5	10.0	30.0	2
Other Europe	23.6	5.5	35.0	15.0	70.0	3
Caribbean	44.0	4.0	50.0	10.0	80.0	3
Latin America	14.7	0.0	14.0	10.0	25.0	1
Japan	7.8	0.0	7.0	15.0	15.0	1
Other	7.2	0.0	7.0	15.0	15.0	1
Total	1,322.7	2.0	1,460.5	8.5	2,200.0	100

Figure 3.4 shows that over the Plan period, it should be possible to nearly double stop-over arrivals to 2.2 million visitors. Achieving this target is, of course, subject to continued growth of source markets. It will need to be reviewed periodically. Figure 3.4 above provides growth targets for two five-year periods, 2000 to 2005 and 2005-2010. In the first period, the rate of growth of visitors is expected to be modest. Market conditions are likely to prove challenging and growth is likely to be driven mainly by the success of a few competitive hotels. It is in the second period, 2005-2010, that the rate of growth of visitors must increase dramatically,

³ JTB data shows that, currently, although European visitors stay on average 13.3 days as against a US average of 8.5 days, their average expenditure per night is lower – US\$66 per person per night as against US\$118. Attracting more up market visitors from Europe should help to increase average visitor expenditure.

particularly from the US and Europe, if the overall growth target of the Master Plan is to be achieved.

A dramatic increase in the rate of growth should be possible for the following key reasons:

- 1.** Market conditions are expected to improve dramatically, with US and European markets returning to the rates of growth achieved in the late 1990s;
- 2.** It is planned to use the interim five years to make substantial improvements in the visitor experience. These are likely to appeal to both US and European visitors alike, but particularly the latter;
- 3.** It is planned to make an immediate start on strengthening Jamaica's presence in the European market. The sustained marketing of Jamaica in Europe should start to pay dividends by year 5 when it is planned to further increase resources for marketing in Europe. By then, the absorptive capacity of the market, in terms of having in place the air lift and sales channels mobilised, would be in place. Progress should have been made also in attracting further investment from the European flag chains who would contribute their access to European market channels to mobilise rapid visitor growth;
- 4.** In the US market, growth is targeted to accelerate as a result of the return to rapid growth of the market generally and strengthening Jamaica's promotional effort in niche segments of the markets such as VFR, groups and conventions, the African-American market and sports and adventure.

The first five years of the Master Plan are crucial for positioning the Jamaican industry to benefit from the more favourable market conditions expected to prevail in the second five years. All the improvements to competitiveness and products that need to be achieved for rapid growth need to be implemented during this period. The marketing strategy needs to ensure that the country is well positioned to benefit from the improved market conditions, with a strong market presence in all the target markets and market segments.

Whilst the priority markets are likely to remain the US followed by Europe, it is important to recognise the increasingly important role that the Caribbean is likely to play as an origin market. Travel within the Caribbean is increasing rapidly for both business and leisure purposes. The share of Latin American visitors to the Caribbean is also likely to increase as a result of the growth of international travel in these source markets and proximity to the Caribbean.

In addition to visitor numbers, a key performance indicator for the industry is bed nights sold. Bed nights measure the volume of sales in the accommodation sector and determine the level of occupancy achieved. The future profitability and growth of room stock and employment in the industry depend upon increasing the number of bed nights sold, if possible, even faster than visitor numbers. The targeting of European visitors with their higher average length of stay should help in this regard. In addition, to ensure that the number of bed nights sold increases faster than visitor numbers, the marketing strategy should seek to address three key targets:

- 1.** To increase the proportion of VFR visitors that stay in tourist accommodation as against private homes. At present, less than 5% of non-resident Jamaicans stay in tourist accommodation and the proportion of foreign VFR visitors is not likely to be much higher. Even if a comparatively small increase in the proportion staying in formal accommodation could be achieved, or a proportion induced to spend a part of their long stay in tourist accommodation, the result would be a significant increase in bed nights sold;
- 2.** Increase the proportion of visitors staying in non-hotel accommodation. The average length of stay in resort villas, guest houses and apartments at over 10 days is longer than in hotels (average of less than 7 days). Non-hotel accommodation represents a hugely under-utilised asset that could accommodate large numbers of additional visitors without investing in additional room capacity;
- 3.** Increase the proportion of visitors that stay in EP as against all-inclusive hotels. The average length of stay in all-inclusive hotels is 6.6 days as against over 8 days in EP hotels.

The way these targets could be achieved is by launching special initiatives aimed at VFR visitors and promoting EP hotels, resort villas, guest houses and apartments as set out below. The effect they would have on the key indicators of visitor numbers, average length of stay and bed nights is shown in Figure 3.5 below:

Figure 3.5

>> Targets for Bed Nights Sold 2000 - 2010				
Year	Visitors (000)	Average Stay (days)	Guest Nights (000)	Bed Nights (000)
2000	1,281.0	12.7	16,300	6,800
2005	1,550.5	11.9	18,400	9,200
2010	2,200.0	11.0	24,600	15,400

Currently, roughly 60% of guest nights are spent in private homes or in accommodation outside the formal accommodation sector. The target would be to reverse the current situation so that bed nights sold represent over 60% of total guest nights. Total visitor numbers are targeted to increase by 70%, bed nights sold by 125% and this would help to ensure that the accommodation sector benefits strongly from the increase in visitor numbers through higher occupancy levels.

Further, the proportion of bed nights in non-hotel accommodation should increase from 15% in the year 2000 to 30% by the year 2010. The proportion of visitors using hotel accommodation that stay in all-inclusive hotels is targeted to fall from the current 80% to 65% and the proportion of bed nights from 75% to 60%, so that the volume of sales of EP hotels increases sharply, resulting in higher occupancy.

An added benefit of the growth of bed nights sold in EP hotels and the non-hotel accommodation is that expenditure outside the accommodation sector should increase strongly. This should help to contribute also to the target of accelerating the growth of non-accommodation sectors of the tourism industry.

3.3.2 Visitor Expenditure

In 1999, the 1.25 million stop-over visitors to the Island are estimated to have spent US\$1,168 million, an average spend of US\$935 per person. This is above the average expenditure per visitor in the Caribbean of just over US\$900, essentially because the average length of stay in Jamaica is nearly twice as high as the Caribbean average. In terms of expenditure per visitor per night, at US\$75, Jamaica substantially underperforms the Caribbean average of close to US\$130 per night, lower than low-cost destinations such as the Dominican Republic and Cuba. This is because of the high proportion of VFR visitors to Jamaica, the vast majority of whom do not pay for accommodation.

The best source of data on patterns of visitor expenditure is the JTB expenditure survey. The data analyses expenditure by type of accommodation in which the visitor stays and between non-resident Jamaicans and foreigners. However, the data does not separate the expenditure by foreign VFR visitors and thus underestimates the extent of VFR spend. Using the data available, Figure 3.6 below provides estimates of the breakdown of stop-over visitor expenditure in 1999, in total and per night separating out all VFR spend.

The estimates on the opposite page (Figure 3.6) show that in the non-VFR market, expenditure per night is higher than the Caribbean average, alongside estimates for The Bahamas and Cuba. But the very low levels of spend by the VFR visitor reduces average visitor spend to some US\$75 per night. Further, although aggregate expenditure outside the accommodation sector amounts to 40% of total visitor expenditure, VFR visitors contribute nearly a quarter of this expenditure. Expenditure outside the accommodation sector by foreign non-VFR visitors represents some 35% of their total expenditure, a figure well below the Caribbean average.

Figure 3.6

>> Estimated Breakdown of Visitor Expenditure – 1999						
	Total Expenditure (US\$ million)			Expenditure Per Night (US\$)		
Type of Visitor	Accom.	Other	Total	Accom.	Other	Total
Foreign	690	360	1,050	105	55	160
VFR	10	110	120	1	12	13
Total	700	470	1,170	45	30	75

The proportion of expenditure outside the accommodation sector is, as expected, particularly low for visitors staying in all-inclusive hotels and their spend on transportation, restaurants and night clubs, tours and attractions is particularly low. Other sub-sectors of the industry such as car rentals, restaurants and night clubs rely on the VFR visitor or those staying in EP hotels and villas, guest houses and apartments. Because of the high proportion of visitors that stay in the all-inclusive hotels, these other sectors of the industry are underdeveloped.

In the light of the above, increasing average visitor expenditure will prove challenging. It is highly unlikely that visitor expenditure per night on accommodation could be increased. In fact, the rates charged by Jamaican hoteliers are likely to come under further pressure, particularly in the European market which demands low net rates from hoteliers to put together competitive packages for consumers whose average stay is considerably longer than the Americans. The whole of the Caribbean will face price pressure from destinations in the Asia-Pacific region, the fastest growing tourism region in the world. Further, as the proportion of visitors staying in EP hotels and villas, guest houses and apartments increases, the expenditure per night on accommodation is likely to decline.

It would appear prudent, therefore, to assume that the expenditure per night on accommodation by foreigners would fall by 10% in US dollar terms over the Master Plan period. Despite this, the Master Plan must aim to ensure that, in the interests of promoting faster economic growth for the country, both average visitor expenditure and the proportion of visitor expenditure outside the accommodation sector increase rapidly. The targets for achieving these objectives are set out below in Figure 3.7.

Figure 3.7

>> Estimated Breakdown of Visitor Expenditure – 2010						
	Total Expenditure (US\$ million)			Expenditure Per Night (US\$)		
Type of Visitor	Accom.	Other	Total	Accom.	Other	Total
Foreign	1,315	900	2,215	95	65	160
VFR	135	320	455	15	30	45
Total	1,450	1,220	2,670	60	50	110

The targets are to increase foreign visitor expenditure outside the accommodation sector by US\$10 per night to compensate for the expected decline in expenditure on accommodation. Foreign visitor expenditure per night should be maintained at US\$160, with average visitor expenditure increasing marginally because of the increase in the average length of stay.

The main contribution to increasing average visitor expenditure is expected to come from the VFR visitor and to a lesser extent, domestic tourists. By spending a higher proportion of their total guest nights in formal

accommodation, they would contribute substantially to increasing the number of bed nights sold and hence the average spend per night on accommodation. They are also expected to double their spend outside the accommodation sector as a result of the greater variety of attractions and events that the country would offer.

These targets are based on observed trends in the market. The accommodation sector is having to discount room rates. The all-inclusive and EP hotels report greater visitor interest in visiting tours and attractions and hence a trend towards increasing expenditure outside the accommodation sector. There is a growing trend amongst VFR visitors to spend at least a part of their stay away from family and friends, even though the main place of stay remains private homes.

If the above targets are met, average visitor expenditure would rise from the present US\$935 per person to US\$1,210 in 2010, an increase of 30% over ten years. This appears a realistic target given that average visitor expenditure has been growing by 2%-3% p.a. in US dollar terms and the focus of the Master Plan is on improving the visitor experience. Total stop-over visitor expenditure is projected to increase from an estimated US\$1,260 million in the year 2000 to US\$2,670 million in 2010, an average annual growth rate of 8% p.a. This does not take account of the contribution of the domestic market.

3.3.3 Cruise Visitors

The number of cruise visitors increased by 13.5% in 1999 and 18.7% in 2000 to reach 907.6 thousand tourists. The JTB, in its Corporate Plan 2000-2003 projects the number to continue to increase at the rate of 15% p.a. The difficult market conditions prevailing in 2001 and the time it will take the US economy to recover from them may make this target difficult to achieve. But over the Plan period as a whole, it should be possible to achieve a very rapid increase in cruise visitors.

Over the longer term, the main constraints to sustained rapid growth of cruise visitors are the carrying capacity of the main cruise port Ocho Rios and the unsatisfactory visitor experience at Montego Bay. In the 2001 budget debate, the MOTS announced a bold new initiative to address the continued growth of cruise tourism. This initiative, strongly endorsed by this Master Plan, seeks to address both constraints as follows:

> Ocho Rios

- ▶ The rehabilitation of the Reynolds Pier to upgrade its attractiveness as a cruise pier with the improvement of visitor reception facilities to enhance security and safety. Studies are also under way on the possible expansion of the cruise pier owned by UDC. The aim is to increase the capacity of the cruise port;
- ▶ To increase carrying capacity in terms of providing visitors with an attractive visitor experience, there is a need also to improve the visitor experience in the town and to reduce the reliance on Dunns River as an attraction. It is planned to broaden the range of high quality attractions and tours around Ocho Rios and improve the ambience, entertainment, shopping and food and beverage facilities in the town itself;

> Montego Bay

- ▶ Develop Montego Bay as a home port for cruise ships to serve the growing Western Caribbean market for 3 and 7 night cruises. This would allow Jamaica to capture the value added in servicing cruise ships and allow the town to benefit also from the 'sail and stay' market in which the cruise is combined with a few days as stop-over visitors. The major investments required to achieve this are:
 - i. extend the pier by 400 feet so that it can accommodate two mega-liners at a time. There are environmental concerns over this proposal and care will need to be exercised over how this ambitious plan is achieved;
 - ii. refurbish the cruise terminal at Montego Bay to develop an attractive visitor reception, shopping and entertainment area adjacent to a redeveloped Freeport area that would include commercial and recreational facilities. Tours and attractions would also be developed around the town;

> Port Antonio

- Develop Port Antonio as a cruise port for the smaller, up scale, boutique cruise ship. The plan is to increase the draught at the pier and redevelop the whole of the western harbour to incorporate also a marina able to accommodate the largest of luxury yachts. The aim is to attract limited numbers of up scale visitors to this beautiful town that is unsuited to mass tourism.

GoJ has also taken the hugely important step of 'hypothecating' or ring fencing the head tax on cruise passengers so that the amount collected remains with the Port Authority of Jamaica. This should provide the Port Authority with the incentive and the means to develop infrastructure at the cruise ports to make them attractive and increase capacity. On the back of this, MOTS has helped establish a partnership between the Port Authority, the JTB which is responsible for marketing cruise tourism and the cruise lines. This should serve as a powerful vehicle for developing this sub-sector. It has also brought to bear the services of TPDCo to help reduce the congestion and harassment that undermined the visitor experience at the ports.

These plans and initiatives dovetail with the recommendations in the Master Plan to diversify attractions described in Chapter IV, with the planned development of circuits and trails around the resorts described in Chapter V and with the planned improvements to the resort centres outlined in Chapter VI. They would be sufficient to ensure that Jamaica is able to achieve the growth target for cruise tourism set by the Master Plan.

Of course, if Port Royal is developed as a cruise port as planned, the result would be one of the most attractive cruise ports in the Caribbean with the potential to draw much higher visitor numbers than Ocho Rios does at present. However, the development of the cruise facility at Port Royal would not be entirely additive to the projected growth of Ocho Rios and Montego Bay. It is likely that Port Royal would divert cruise ships from the two existing ports as proximity makes it unlikely that the same ship would call at more than one Jamaican port on the same trip.

Growth of cruise visitors to Jamaica is, in the final outcome, limited by the growth of cruise passengers to the Western Caribbean and this is expected to grow at a rate of 7%-8% p.a. over the Master Plan period, despite the slower growth expected over the short term. Cruise visitors to Jamaica are, with the developments proposed, likely therefore to increase at over 9% p.a. We have thus set a target of 9.3% p.a. average annual growth rate based on which the number of cruise visitors is expected to reach 2.2 million by 2010. At that point, they would equal the number of stop-over visitors.

Average expenditure per cruise visitor is around US\$90. In the Caribbean, only Bermuda and the British Virgin Islands report higher expenditure per cruise visitor. This reflects the very much higher proportion of cruise visitors that alight in Jamaica than popularly believed and reported for other Caribbean destinations such as Barbados. A recent JTB survey found that the vast majority of cruise passengers alight in Jamaica with only 15%-20% remaining on board. Surveys in Barbados suggest that only 30%-40% step ashore.

However, expenditure is mainly (61%) on shopping with the in-bond stores the main beneficiaries. The average expenditure on transport and food and beverages is less than US\$5 per person and the average spend on attractions is just US\$10. The lack of well-developed tours and alternative attractions to Dunns River Falls and the absence of appropriate venues for eating and drinking in Ocho Rios are the main causes. If these are remedied and the shopping experience, other than in-bond stores, improved further, it should be possible to increase average visitor expenditure to US\$120.

As a result, total cruise visitor expenditure should grow from US\$73 million in the year 2000 to US\$265 million in 2010. This would represent average annual growth of 13.8% p.a.

3.4 Addressing the Major Markets

The achievement of these growth targets calls for a change in priorities in marketing the destination. Clearly, Continental European markets will need to be given priority and emphasis placed also on enticing VFR visitors to combine their prime travel motive with a stay in tourism accommodation and visits to the country's attractions. Domestic tourism will need to be given a much higher profile.

But in addition, as set out in section 3.1, Key Findings of the Diagnostic, the trend towards longer holidays and the increasing segmentation of the market will call for changes in the product and the way it is marketed. This section defines the changes in the way the destination should be marketed. Chapter IV examines changes to the products.

3.4.1 Market Segments and Product Support

The JTB Corporate Plan for the years 2000-2003 shows that the marketing strategy of the country is changing in response to market trends. This well thought-out document gives priority to Continental Europe, whilst maintaining the level of effort in the traditional North American and UK markets. It identifies ten market segments to target, as follows:

- ▶ *Golf*
- ▶ *Honeymoon*
- ▶ *Mature Market*
- ▶ *Nature/ecotourism*
- ▶ *African-American*
- ▶ *Non-resident Jamaicans*
- ▶ *Groups/conventions*
- ▶ *The Family Market*
- ▶ *Scuba Divers*
- ▶ *Dive Market*

The Plan aims to provide special product support to villas and apartments, small hotels, resort marketing and events. It calls for programme integration with JAMVAC and JRS and argues for harnessing more effectively the internet for marketing Jamaica.

The document suggests that greater emphasis will be given to working with trade partners, to ensuring that value is obtained from each dollar spent on advertising and the full range of promotional and sales tools will be used in a balanced marketing mix. The positioning of the country would focus on establishing Jamaica as a distinctive and preferred destination. Greater emphasis on local communication would aim to inform and educate local people on the role and importance of tourism.

The Corporate Plan is a sound document that anticipates and responds to the greater segmentation of the market. It recognises that it is not possible or desirable to present Jamaica as a single undifferentiated destination. However, resource constraints have meant that it has proved impossible to implement the Plan which is to the detriment of the industry and its wider stakeholders. An important contribution that this Master Plan aims to make is to enable that Plan, with some amendments, to be implemented.

The market segments given priority in the JTB Corporate Plan are basically those which offer the greatest promise, though some refinements in the approach to various segments and markets appear desirable. Basically, it is important that a distinction be made between what are sub-segments of the sun, sand and sea market such as honeymooners, families and couples and distinct segments of the market such as mature, VFR, African-American, golf, etc. In the case of the former, the product needs comparatively minor adaptation to cater for the specialist needs of the sub-segment and promotional methods can remain basically the same as for the mainstream sun, sand and sea market. In the case of the latter, a separate and different product may be required for visitors likely to have different lengths of stay and interest in leisure pursuits. Sales channels and promotional methods are likely to be different for these niche segments. Further, in recognition of the dif-

ferences between the US, Canadian and European markets, it will be important to vary the priorities given to segments in each market. Priority segments and how they should be approached are discussed further in the sections below.

The one additional market that JTB should give priority to developing is the domestic market. The targeting of this market is for strategic rather than revenue considerations. The Master Plan's objectives in positioning and competitiveness terms are to bring out the outstanding heritage assets of the country and to improve the wider product generally. The optimum way to achieve this is to get Jamaicans to understand and appreciate these assets, thus contributing to their preservation. Besides, tourism is sustainable only if it accords with the interests and aspirations of local people. They must be involved in the industry as suppliers and consumers of its product, thus helping foreigners also to see the merits of what is on offer.

The sectors for product support listed in the JTB Corporate Plan are well chosen. Villas and apartments, along with guest houses, represent the most under-utilised sector of the Jamaican tourism industry. With over a third of the room stock, they generate less than 10% of the industry's revenue. The crisis in the small hotel sector is the cause of much of the disquiet in the industry. The fact is that though visitor numbers overall have continued to grow, the bed nights sold in the small hotels have not, and occupancies have fallen.

The importance given to resort marketing in the Corporate Plan is also well founded. Resort marketing is important for three main reasons:

1. Emphasising the diversity of the destination is important to reflect the fragmentation of the market into large numbers of segments. The different faces of Jamaica are likely to appeal to different segments;
2. As elaborated below, the positioning of Jamaica has to emphasise the variety of experience it has to offer. Resort marketing gives concrete form to that diversity;
3. Currently, the pattern of visitor stay focuses on the three major resorts of Montego Bay, Ocho Rios and Negril. The smaller resort, such as Port Antonio, tends to be neglected. Whilst these resorts are not intended to become major centres of accommodation, they have the capacity to handle much larger numbers of visitors. Further, their appeal to particular segments of the market in Europe, Canada as well as parts of the US, would help to generate success in these markets.

Resort marketing was an initiative launched some years ago by the JTB but had to be abandoned because of cuts in the JTB budget. The form of resort marketing envisaged was not very different to the generic destination promotion that the JTB was carrying out at that time. The content of brochures was centred on the industry and what it had to offer. In future, it should focus much more on the local communities, their culture, history and of course, the natural assets of the resort area.

Resort marketing is an ideal platform for promoting the country's heritage. The bringing out of local history, culture, fauna and flora, scenic views, circuits and trails will help to show the visitor the richness and diversity of what is on offer whilst promoting the preservation and development of these assets. The resort marketing should be driven by organisations such as the heritage foundations and other local NGOs concerned with the community and the environment, with the involvement also of the industry.

Events marketing should form a priority for JTB, as set out in the Corporate Plan. The objective should be not only to host major events such as the Sumfest, Jazz Festival and the Carnival but to hold a series of regular festivals and events throughout the country that bring out the talent to entertain and culture of the area. Holding events is an important way of involving local people in the tourism product and would appeal also to the VFR, the African-American and the long stay European. The events featured should cover music and entertainment, sporting and religious events. In sport, the test match, major golfing events, the football world cup, the Commonwealth Games, the grand prix or other circuit events, sailing regattas are examples of events that

can form the basis of marketing Jamaica to the dedicated sports fan, the VFR market and the domestic market. There are two leisure activities with which tourism is closely allied, sports and entertainment. This is reflected in MOTS's portfolio that includes all three industries. Jamaica's considerable sporting achievements and its large and highly successful entertainment industries represent a major promotional asset for the country. They are also an integral part of the tourism industry in that they form an important part of the visitor experience. Events and resort marketing can do much to reinforce the promotional impact of these industries and at the same time help these industries develop themselves. The way these industries can be developed to add to the visitor experience is described in the following chapter.

In the following sections, we discuss how priority segments can be developed and product support provided using resort and event marketing, in each of the major markets.

3.4.2 The US Market

Jamaica continues to outperform the Caribbean. Destinations such as the Dominican Republic and Cancun have managed faster growth, but established competitors such as Puerto Rico achieved lower growth than Jamaica, and The Bahamas suffered a fall in visitor numbers in the late 1990s. So Jamaica's performance can be considered good but by no means spectacular.

Jamaica's strengths are the all-inclusive product which is ideally suited to the short breaks that US visitors take and the VFR market. In addition to the 80,000 or so non-resident Jamaicans that visit each year, there are a large number of visitors of Jamaican origin with US passports that visit friends and relatives.

The main weaknesses are concerns over harassment and personal safety and the lack of consistent high standards and value for money in the EP sector. Much of the travel trade has given up on the Jamaican EP product, expressing the view that Jamaica is an all-inclusive destination so why sell EP products and run the risk of tourists experiencing harassment. And, as noted earlier, the commissions received by the travel trade are higher for all-inclusives.

Holiday entitlements in the US remain amongst the lowest in the western hemisphere but there are signs that Americans are taking longer breaks. Further, although all-inclusive hotels are ideal for short breaks, there is growing interest in seeing more of the destination with the proportion of visitors taking tours increasing.

Because of short breaks, the positioning of Jamaica will need to continue to focus on sun, sand and sea but, increasingly, it will be important to showcase the country's natural beauty, culture, history and built environment to cater for the growing interest in tours and visiting attractions. The increasing segmentation of even the mainstream sun, sand and sea market will require also the promotion of products to cater for the following demographic market segments within the mainstream market:

- ▶ **Honeymooners.** As set out in the JTB Corporate Plan, honeymooners represent a total market of 5 million visitors in the US, which had been growing at 5% p.a. Spending per trip is high at US\$3,450, with a high propensity to travel internationally (70%) and the peak marriage season between May and December coincides with the off-peak season in Jamaica. These couples like to rent cars and see the country. Jamaica already has competitive products on offer so product and price are not a problem. Promotion of the products on offer should prove productive;
- ▶ **The Mature Market.** The JTB Corporate Plan makes a persuasive case for this market. The population of the US over 50 is estimated at 75 million people, of which 18% take a trip outside the US. About half the total are interested in warm weather beach destinations. The growing size of this market, high disposable incomes and greater leisure time make this an attractive segment to target. Their requirement for accommodation where they feel well looked after can be met easily in Jamaica but they are also concerned over safety and harassment which will require organising trips and tours that do not expose them to areas where these are likely to be an issue. Further, group tours and group discounts will need

to be offered to cater for this segment so a degree of product development is required prior to launching a programme to attract this type of visitor. Promotion using the type of print media they tend to prefer and the mobilisation of sales channels specialising in this market will be essential;

- **The Family Market.** This is the bulk of the US market (70%) and the majority do not travel internationally. However, the popularity of international travel, particularly to neighbouring countries such as Mexico is increasing and it is possible to attract families with children by offering resorts that cater specifically for them. Jamaica has all-inclusive chains that specialise in this market and by working with them and any newcomers, it should be possible to increase Jamaica's share of this large market;
- **Couples.** There is a strong and attractive product segment also for couples. The Jamaican all-inclusive product is already strong in this segment.

In addition, the market for college students developed as Spring Break by JTB should not be neglected. The imaginative way that Jamaica has developed this market segment personifies much of the best practice in targeting and addressing the requirements of specific market segments. Spring Break benefits Jamaica not only in the present but is a form of investment in capturing high income consumers for the future.

In the US market, there are four niche segments of the market worthy of special attention:

- **The Visiting Friends and Relatives (VFR) Market** comprising the 1.2 million first and second generation Jamaicans that live in North America. With large VFR flows achieved already, the potential of this market lies in inducing visitors to combine the VFR travel motive with visits to heritage sites and cultural events, taking tours and participating in sports and adventure. They should be offered packages that combine attractively priced flights, accommodation and car rental. Promotion should target the appropriate niche print media and it will be vital to mobilise the support of the specialist travel agents that serve this market. The use of public relations to feature events, aspects of heritage and culture and reinforcing pride in Jamaica through the chronicling of the country's achievements and those of persons of Jamaican origin such as General Colin Powell and the many successful Jamaican business people, will be important. Involving the local communities of people of Jamaican origin in Jamaican events will be vital to make people interested in and supportive of Jamaica;
- **The African-American Market.** The size of this market is estimated at 35 million people, of which just over 15 million are in the 18-49 age range. Over 3 million have incomes over US\$50,000 per annum. Travel for business with a small vacation added-on, to attend conventions and seminars and increasingly for visiting places for heritage and culture are popular. The African-American is more likely to shop, rent a car, visit night clubs and gamble than the average US visitor. The major appeal of Jamaica would be to combine the sun and sand appeal with the offer of Jamaica's rich African heritage and struggle for emancipation from slavery. Cultural events that showcase the heritage are likely to appeal strongly. The market requires putting together packages of heritage sites and tours, food and accommodation and car rental that would meet the specialist needs and interests of this market. The ability to make the African-American welcome and appreciated is vital to success. Promotion should focus on niche print media and public relations using well known personalities that would endorse the authenticity and importance of the African heritage of Jamaica;
- **Meetings and Conventions and Incentive Travel.** The US market for meetings was estimated at nearly 80 million people in 1997 and was worth over US\$40 billion. It is growing as a result of the continued emergence of special interest groups and the trend towards corporate retreats and large gatherings of the workforce. Minimum flight times, proximity to the airport, ability to provide efficient ground transport, attractive physical setting, good weather, value for money accommodation and food and ability to provide conference rooms for large numbers are vital for success. The trend is towards large hotels (c. 2,000 rooms), with the scale to provide entertainment and conference facilities on site. Montego Bay is the appropriate location in Jamaica but it lacks sufficient conference facilities. The growth

of the incentive travel market reflects the greater use of incentives to retain and reward productive employees. The market is large and growing, with medium sized firms joining the large in using short breaks in holiday destinations as the incentive. Both these markets require a combination of direct marketing to the travel departments or the meetings and incentive planners of major corporations and to interest groups, as well as the mobilisation of travel agents specialising in corporate travel.

- **Golf.** It is estimated that 8 million American golfers take three golf trips a year. The average golfer is from the upper income bracket of over US\$50,000 per annum. International golf trips usually combine a short break in a relaxing setting with golf. With its range of excellent golf courses, Jamaica should be well placed in the market but is yet to promote well thought out packages that can offer a combination of excellent food and accommodation, beaches and relaxation with the ability to sample a variety of different types of courses. The package may well involve more than one resort.

The JTB Corporate Plan targets also the 4 million US visitors likely to take an eco-tourism trip over the next three years. These are affluent consumers willing to spend over US\$1,500 per trip who travel in the summer months that are off-peaks for Jamaica. However, although Jamaica has outstanding flora and fauna, particularly its large numbers of endemic species, it does not have the spectacular attractions to compete with Latin America and Africa for the committed eco-tourist. Instead, what is more likely to succeed is to combine a sun, sand and sea break with natural and cultural attractions. The specialist travel agents that serve this market believe that the product likely to get the most acceptance is a two-centre holiday with one centre being near a beach.

Examples of products that are likely to appeal to this type of visitor are:

- **Adventure with sun and sand** – Promoting rafting, trekking, waterfalls alongside the traditional sun and sand products. The package would include flights, accommodation and food along with tours and attractions;
- **Nature with sun and sand** – Featuring outstanding natural assets of Jamaica including The John Crow and Blue Mountains, flora and fauna including birdlife, iguanas, crocodiles and manatees.

Such visitors are typically curious about local culture and history and would be willing to visit cultural events and sample Jamaica's rich heritage. Despite these opportunities, promotion of this segment should be regarded as a way to differentiate Jamaica in the mainstream market rather than a significant opportunity in its own right. Interviews with the specialist travel agents that serve this market confirm this view.

The JTB Corporate Plan also identifies the dive market as a potential segment to target. No doubt, the 1.8 million divers in the US with their very high incomes represent a potentially attractive market for Jamaica. However, Jamaica's reefs have suffered extensive damage and there are now only a few sites that would prove of interest to the serious diver. Bonaire and other countries offer more spectacular diving. The dive business has been declining and although better promotion would no doubt yield results, this is not as significant a market opportunity as the others.

In terms of support for products, the JTB has been featuring the Insiders Jamaica Programme in North America but with limited results up to now. Selling small hotels is an uphill task, at least in the mainstream US market. Because of the short breaks taken by US visitors they have a preference for resort hotels that can cater for all their needs. The US travel trade perceives Jamaica as an all-inclusive destination and is reluctant to sell any other product.

It is recommended, therefore, that the Insiders Programme should not be considered a proposition for the mainstream US market. Rather, it should be adapted to the needs of the market segments identified above

and sold as a series of niche products adapted to particular niche segments. For example, small hotels that differentiate themselves on the basis of the personal attention they provide for their guests can form the basis of packages put together for the mature market, provided the hotel is big enough to cater for small groups and can provide access to beaches, shopping, tours and attractions in safety and security.

Similarly, small hotels located in small, intimate communities, able to combine accommodation with visits to heritage attractions, night life, trips to cultural events and shopping, could form the basis of the offer to the VFR and African-American segments. In addition, there is a small group of specialist travel agents that has a client base amongst the proportion of the US market that prefers small, intimate and/or hotels offering a different and unique experience. This small group of travel agents should be targeted, supported and provided with incentives to promote appropriate small hotels in Jamaica.

Insiders Jamaica need not, therefore, be promoted as a stand-alone product using the mass media and referring consumers to 1-800-JAMAICA. That method has not proved effective and it is highly unlikely that any amount of advertising, no matter how imaginative or creative, would persuade the US consumer to change their vacationing habits and the product requirements that derive from them.

Villas and apartments have not been promoted strongly by JTB up to now. The Corporate Plan attempts to alter this by using national advertising, consumer and trade print advertising, co-op funding and identifying market opportunities. It is not clear whether the US market is to be targeted.

All the reasons that apply to the difficulty in selling small hotels to the mainstream US market apply also to villas and apartments. As is the case with small hotels, the best prospects for villas, apartments and guest houses is to make them the basis of packages designed for attractive segments of the market above. Average length of stay in these non-hotel facilities is longer: even in the US market, length of stay exceeds eight days for all three facilities. They are thus well suited to the mature market, VFR and, in the case of guest houses and apartments, the college student market.

US visitors are concentrated in four resorts: Montego Bay, Ocho Rios, Negril and Kingston. US visitors to Kingston mainly stay in private homes and are most probably VFR visitors. Port Antonio receives less than 1% of the total US visitors to Jamaica and the overwhelming numbers of these are VFR visitors. The additional travel time and cost to reach it are disincentives to the mainstream US visitor.

However, as the Jamaican resort with the most attractive natural setting and relaxed atmosphere, the resort could appeal to US visitors with greater than average lengths of stay such as the mature market and the VFR visitor who may wish to combine visiting friends and relatives in another part of Jamaica with a vacation. It is an ideal resort for the tourist interested in nature. The resort offers a range of small hotels, resort villas, guest houses and apartments that should appeal to these visitors.

Events marketing should be used in this market to target the VFR market, African-American visitors and special interest groups such as lovers of reggae and other types of music, church-goers, lovers of dance and the folk arts and sporting enthusiasts interested in golf, sailing and yachting, game fishing, athletics, tennis and so on.

The JTB should feature Jamaica's heritage, including heritage sites, cultural events and historic figures, alongside sun and sand, as part of the attempt to differentiate the positioning of the product in the mainstream market. In addition, heritage has to be the basis of the appeal to market segments such as VFR and the African-American market.

The US market is fragmented, with a very large number of travel agents and few dominant tour operators.

Reaching this fragmented travel trade is expensive and involves substantial effort. The use of mass media to reach consumers and mobilise the travel trade is, therefore, appropriate. It is intended to restore the level of TV advertising, greatly reduced in 2000/2001, to closer to its 1999/2000 levels. There is a continuing need to keep Jamaica at the forefront of consumer awareness and to reach the country's fragmented travel trade to help counter the difficult trading conditions that are likely to prevail in the US market, at least in the short term.

Additional expenditures have been provided for in the Master Plan to facilitate the development of niche markets, using appropriate promotion. Thus greater emphasis would be placed on trade and consumer print advertising and niche market print campaigns than has been the case up to now.

3.4.3 The Canadian Market

This market requires a different approach to the US. The characteristics of the market in terms of length of stay, the travel motive, visitor interests and perceptions and price sensitivity are quite different. And, unlike the USA's fragmented travel trade, just four tour operators dominate the Canadian market.

Unlike the US where Jamaica is increasing market share, Jamaica has underperformed in this market since the early 1990s. Cuba and the Dominican Republic have gained at the expense of Jamaica. Though visitor numbers from Canada increased by 10.7% in 1998, they gave up all their gains in 1999 but bounced back in 2000. Overall, growth since 1992 has been modest.

The competition has intensified in recent years, with Cuba investing strongly in promotion. Jamaica has had to reduce its expenditure on promotion because of budget constraints. But Jamaica is well placed to regain market share. Because of longer average length of stay, the Canadian visitor is more interested than the US visitor in all aspects of heritage and tours and attractions are popular. Jamaica's rich heritage should allow it to compete against other destinations, particularly the Dominican Republic.

The key to success in the mainstream Canadian market lies in offering competitively-priced accommodation and tours and attractions and working with the big four tour operators to promote them. The Canadian market focuses on value for money. The larger hotels, catering for the 3 to 4 star market, should form the basis of the offer. Co-operative advertising and the production of collateral material should form the main component of promotion, not direct consumer advertising. Market power lies with the big four and their support can be mobilised by co-operative advertising.

The content of the promotion should focus on bringing out Jamaica's ability to offer winter breaks that combine excellent beaches with a variety of adventure, nature, culture and history. The Canadian visitor is less concerned with harassment than the US visitor and would be more willing to rent cars and take tours to visit the sites promoted.

Apart from the mainstream market, the market segment to target should be VFR. Although the number of non-resident Jamaicans (NRJs) from Canada is less than ten thousand per annum, the number of VFR visitors probably exceeds 40,000, taking account of 'Canadian' visitors that stay in private homes. This market can be developed using the same approach outlined for the US VFR market.

Special product support should be provided for villas, guest houses and apartments. Canadians are more likely to stay in these types of non-hotel accommodation than either US or UK visitors. The specialist sales channels for these products will need to be mobilised through advertising in the travel trade publications and putting together and promoting packages of flights, accommodation and tours.

The smaller resorts such as Port Antonio should be promoted alongside the marketing of villas, guest houses and apartments. The distance from the airport need not be a constraint for the Canadian visitor staying in a

villa or apartment, as the average length of stay is close to 12 days. The interest that these visitors have in culture and nature would be more than satisfied by Portland, St Thomas, or the South Coast.

The targets for the growth of visitor numbers from Canada are ambitious. They reflect the view that Jamaica should be able to recapture market share, particularly share lost to the Dominican Republic. Achieving the target will require greater resources, particularly for co-operative advertising, print advertising and public relations to capture higher expenditure from VFR visitors and promotional support for villas and apartments.

3.4.4 The UK Market

Long haul travel from the UK has been growing rapidly and the UK has become the largest source market for long haul travel in Europe. Though holiday participation rates and holiday entitlements are lower than Germany, UK holiday makers are far more adventurous and take holidays to a greater variety of destinations. The UK is the second largest source of European visitors to the Caribbean after France and the growth of visitors numbers has averaged over 10% p.a. since the early 1990s.

In recent years, the UK has been one of the few success stories in European markets for Jamaica. This is the market that has received the highest share of JTB resources after the US. However, compared with the Caribbean as a whole and with Barbados, Cuba and the Dominican Republic, Jamaica has lost market share and is now the third largest destination in the Caribbean for UK visitors, having been the largest. This is despite the fact that 40,000 or so of the 125,000 UK visitors are in fact VFR visitors, reflecting the strong links between the two countries.

The UK market is highly segmented. The mainstream market is value conscious, served by a travel trade dominated by large, vertically integrated tour operators that provide packaged holidays. On the other hand, 30% of the market is made up of independent travellers and they are inclined to use specialist travel agents to provide customised packages. Visitors are interested in culture, nature, adventure, built heritage and history and there are a large number of special interest groups that constitute a market for group travel.

The JTB Corporate Plan's sections on Europe are well thought out and the activities planned to redress the continuing loss of market share in the UK market represent very good value for money. They are based on using tactical and co-operative advertising and working with the trade to sell comprehensive packages such as Insiders Jamaica.

Like Canada, in the mainstream market, the key factors for success are offering value for money accommodation and tours and promoting them through the major tour operators. The 3-4 star large hotel should form the basic accommodation offered. In setting prices, hoteliers should allow for the fact that the tour operators seek strong discounts from the rack rate to allow them to sell competitively. A rate of US\$40 or so per night on an EP basis should be the target. Length of stay is much higher than the US and seasonality less sharply defined, compensating the hotelier for the lower net rate. Assisting with the cost of brochure production and co-operative advertising are essential.

The JTB used to spend significant sums on consumer advertising and competed with Barbados for the largest spend of any Caribbean tourist board in the UK. Recent cuts have reduced the promotional expenditure but research shows that Jamaica continues to share with Barbados the highest level of top of the mind and spontaneous destination awareness of the Caribbean destinations, far higher than Cuba and the Dominican Republic. This shows that it is not consumer awareness, but the product and price on offer through the travel trade that is causing Jamaica to lose share to the Dominican Republic and Cuba.

The interesting result of recent research conducted by JTB, was that the attributes for which Jamaica was best known were beaches and night-life. Despite the close links between the two countries, little was known of

the real strengths of Jamaica against other destinations in the Caribbean – its natural beauty and diversity, culture and history. With word of mouth and media reports the main opinion formers, it is important that Jamaica's strengths are brought to the fore in the product offered, promotional material and public relations. The appointment of a new public relations firm should help in this regard.

Jamaica's strengths are best understood and sold by the small number of tour operators that specialise in the Caribbean. They are increasingly interested in putting together itineraries that allow the visitor to combine sun and sand with the nature, culture and built heritage of the country. Supporting these specialists should be given high priority as they not only sell Jamaican products that the mainstream market is not interested in but, crucially, help to position Jamaica so that its competitive potential is maximised.

The other market segments to target in the UK are VFR and the independent traveller. The VFR market can be developed as suggested for the US through the specialist print media, putting together attractive packages and working with appropriate travel agents. The travel agents that serve this market are very short of information on the accommodation available, particularly small hotels and non-hotel accommodation. They are also poorly informed about events, tours and attractions and fly-drive packages.

The independent traveller is more likely to stay in small hotels and in villas, guest houses and apartments. They are more likely to rent cars and visit attractions. They are likely to do much of the research on where to stay and what to visit themselves, but informing the travel agent of what is available remains important to help the visitor put together a holiday to their liking.

Reaching the travel agents that cater for this market is not easy. There are a large number of small agents and they are dispersed throughout the country. There are small niche segments such as villas and apartments, nature and eco-tourism and sports which are served by specialist travel agents. The cost-effective method, as set out in the JTB Corporate Plan, is to use advertorials in the trade press and the Jamaica Travel Specialist Programme.

In addition, this is the market that would benefit most from the presence of JRS's telemarketing capability. The ability to reach the large number of small travel agents and to respond to the enquiries would represent a tremendous asset that could be used by the JTB and the Jamaican industry. It is recommended that funds be provided for JRS to establish a leased line link between the UK and its facility in Jamaica and start to offer its telemarketing capability to the JTB and the industry.

The UK market also has an ageing population and the mature market is catered for by both the mainstream tour operators and specialists. Jamaica is not strongly positioned in this market because of concerns over security and harassment. However, the offer of small hotels, guest houses and villas and apartments located in parts of Jamaica that do not suffer from these problems to the same degree as the major resorts could induce small groups of mature visitors to come to Jamaica.

As recognised by the JTB, this is a good market in which to promote small hotels and villas, guest houses and apartments. The VFR and independent travel segments are suited to these products. The key to both is to provide attractive packages of flights, accommodation, car rental and tours and attractions and promote them through the travel trade.

Non-VFR visitors are currently concentrated in Ocho Rios and Montego Bay. Negril, Port Antonio and the smaller resorts of the South Coast are relatively poorly known. Yet their small hotels and non-hotel accommodation, intimate atmosphere and charm are well suited to the UK market.

3.4.5 Continental Europe

Whilst the loss of market share in the UK and Canadian markets has been regrettable, it is the failure to capitalise on the growth of visitors from Continental Europe to the Caribbean that has been the single most important factor in Jamaica underperforming the Caribbean in terms of visitor numbers. And, it is the continuing loss of market share and air lift capacity that make these countries the single most important item on the JTB's marketing agenda. The Board needs to address at least the three major markets of Germany, France and Italy but other European markets such as Spain and the Netherlands also warrant attention.

The German market is the world's largest market for international travel. The importance placed by Germans on holidays, their very long holiday entitlements and high per capita makes this an attractive source market. Jamaica, having pioneered the German market for the Caribbean, has lost out to the Dominican Republic and Cuba. Whilst German visitors to the Caribbean have been increasing at an average rate in excess of 10% p.a., visitors to Jamaica have increased only marginally over the levels achieved in the early 1990s. In 1999, visitor numbers declined from 43 thousand in 1998 to 38.6 thousand.

The two main causes of this poor performance have been:

1. The price competitiveness and value for money of Cuba and the Dominican Republic in terms of the net rate offered to the major German tour operators that dominate this market;
2. The neglect of this market by the JTB and much of the Jamaican industry created the impression amongst the German travel trade that Jamaica was not interested in this market.

Reversing the decline requires accommodation in large hotels to be priced attractively to the German travel trade, taking account of the much longer stay of the German visitor and the fact that a higher proportion of them visit in off-peak or shoulder periods. This is overwhelmingly a market for packaged holidays with flights provided by scheduled and charter airlines owned in part or fully by the major travel companies that are vertically integrated, from travel agent to airline. What they mainly seek, therefore, is competitively priced accommodation in hotels that can accommodate their large groups, ideally under one roof.

In addition, co-operating with the major tour operators in the production of brochures and co-operative advertising is essential. The major travel agents tend to sell mainly the products featured by tour operators within their group of companies. The major travel companies look to build partnerships with their preferred destinations and major suppliers. If a Jamaican product does not appear in the brochure of their tour operator, it will not be sold by that chain of travel agents.

The German market is mainly sun and sand but there are preferences for destinations that can combine that travel motive with an attractive natural environment and provide the opportunity for contact with local people. Some of the fastest growing segments are those in which Jamaica is well placed amongst Caribbean destinations, namely:

- ▶ **Adventure:** particularly river rafting and hiking;
- ▶ **Nature and eco-tourism;**
- ▶ **Health Tourism** – limited to spas (not curative medicine);
- ▶ **Villas and apartments.**

Knowledge of the products that Jamaica has to offer in these markets is low, limited principally to the Jamaica specialist. Independents are not aware of the variety that Jamaica has to offer. The promotion of Jamaica needs to address these growing segments to differentiate the country from the leading destination for German visitors to the Caribbean, the Dominican Republic.

These growing segments of the market are served by the major travel companies and by smaller specialists. Products need to be promoted to both.

The currently underdeveloped resorts of Portland, St Thomas and the South Coast are all candidates for promotion to the niche segments of the German market. Though Germans invariably purchase packaged holidays, they are extremely keen on tours. In Jamaica, they take the highest number of tours per visitor (3-4). The promotion of these resorts as places to visit and stay would help with the positioning of Jamaica as a destination that combines sun and sand with the natural environment and opportunity for cultural interaction that Germans value most.

The opening of a JTB office in Germany is a sensible step. Jamaica should have a presence in the world's largest market and one in which it has the possibility to develop a strong and sustainable position. The office must, however, be given the resources to develop the market with a three year rolling forward budget. The need to increase marketing activities in Germany is pressing. Jamaica now trails Cuba and the Dominican Republic by a long way and some of the travel companies are beginning to withdraw flights. This could start a chain reaction that would result in a sustained fall in visitor numbers.

France is the largest source market for European visitors to the Caribbean. In 1999, of the 1.4 million French visitors to the Caribbean, less than 4 thousand visited Jamaica. Though the French Caribbean islands remain the main destination for French visitors to the Caribbean, the fastest growth has been recorded by Cuba and the Dominican Republic. Language and cultural similarity, though important, are no longer essentials in the French market.

Jamaica's main shortcomings in addressing this market have been twofold:

- ▶ As this has traditionally not been an important market for the country, little promotional effort has been expended on this market;
- ▶ The lack of a direct air link has held back the growth of the market with many large tour operators suggesting that with such a link, they would be interested in doing more business in Jamaica.

JTB and JAMVAC have attempted to provide incentives to a French charter airline to come to Jamaica but these have not come to fruition. The inability of Montego Bay to take fully loaded 747s is a constraint. However, if a new concerted attempt is made with JTB promising to work with tour operators and JAMVAC purchasing and selling seats through JRS, the initiative would succeed. The new generation of wide-bodied planes such as the 767, 777 and the A340 are able to land at Montego Bay and if the feasible solution has to be to use a 747, flying into Kingston, then it should still be pursued. Ocho Rios and Port Antonio are accessible from Kingston and the time to these resorts should be reduced with planned road improvements.

The French market is far too important a source market to be ignored. Apart from the air link, the strategy should be to work with the large Caribbean specialist tour operators. They too will require attractively-priced accommodation and co-operative advertising to promote Jamaica. The country's heritage, particularly its colourful history, music and natural beauty are traits that the French should find more attractive than that offered by the Dominican Republic, provided accommodation is reasonably priced.

The French market is interested in small hotels, villas and apartments. The smaller resorts of Portland and the South Coast should prove attractive to meet their interest in touring, visiting attractions and in culture and history.

During the 1990s, Italian visitors to the Caribbean recorded the fastest growth of the European countries. Visitor numbers more than doubled between 1992 and 1998, though the 1998 figure of 419 thousand visitors represented a fall of 6.8% over 1997. Visitor numbers to Jamaica have, however, experienced a sustained

decline from 29.2 thousand in 1992 to 16.7 thousand in 1999. Having pioneered the Italian market, Jamaica has lost out to Cuba and the Dominican Republic, the main beneficiaries of the growth of Italian visitors to the Caribbean.

The Italian market for long haul travel is attractive. Holiday entitlements are even longer than Germany and the Italian visitor is as interested in nature, culture, entertainment and shopping as any other European. Long haul travellers have high disposable incomes and average length of stay is long. The visitor looks for variety and interesting experiences.

The Italian travel trade continues to regard Jamaica as potentially one of the most rewarding Caribbean destinations. However, it regards the product as being poorly presented with limited shopping and entertainment offered in the major resorts and a failure to present the country's natural and cultural attractions in an attractive manner. Harassment and personal safety are issues of serious concern.

The loss of share to some of the cheapest destinations in the Caribbean also points to a loss of competitiveness of the Jamaican accommodation sector. The tour operators are looking for reasonably priced 3-4 star hotels able to accommodate large groups and find these hard to come by. The travel trade in Italy is fragmented, with huge numbers of small regional travel agents. Large tour operators are only now beginning to emerge but they do not dominate the market. The majority of holidays bought are packaged, but up to 35% of the market is independent travel.

Success in Italy requires a combination of targeting the tour operators with attractively priced accommodation and tours and the small travel agents with the facility to put together packages of flights, accommodation, car rental and tours. Alongside the JTB representative, there is scope for JRS to telemarket Jamaican products to the fragmented travel trade.

Marketing in the form of co-operative advertising with the main tour operators and advertorials in the travel trade magazines to interest the smaller travel agent would pay dividends. Products for special support are small hotels, villas, guest houses and apartments and the smaller resorts in Portland and the South Coast as places to stay and visit.

Other European markets of note are Spain and the Netherlands. The Spanish market has all but been ignored by Jamaica, though it generates over 300,000 visitors to the Caribbean. Lack of air links and contacts with the travel trade have been the major constraints. Language plays an important part in the market as nearly 90% of Spanish visitors are attracted to the Spanish speaking destinations of Cuba and the Dominican Republic.

With the Riu Group now established in Jamaica and looking to expand, a platform exists for a substantial increase in visitor numbers from Spain. Working in co-operation with Riu and other Spanish hoteliers that could be attracted to Jamaica, the JTB should start to increase market presence by appointing a representative and supporting co-operative activities with the major tour operators.

The Dutch market is the sixth largest for European visitors to the Caribbean. This is an attractive market with high holiday participation rates and holiday entitlements are as long as in Germany. Long haul travel is increasing rapidly though growth to the Caribbean has been modest. Apart from the Netherlands Antilles, the main beneficiary of the growth has been Cuba. Visitor numbers to Jamaica have declined sharply from 7.3 thousand in 1996 to just 2.7 thousand in 1999.

Jamaica has the potential to regain market share. The country's offering of natural beauty, adventure, culture and history appeals to these visitors. It has been the concern over harassment and safety, the lack of attractively-priced accommodation and the poor presentation of the product that have caused a decline in visitor

numbers. Like many other European markets, the JTB and the Jamaican industry have not targeted this market. The recent withdrawal of a flight shows that Jamaica is in danger of losing this market altogether.

There is goodwill towards Jamaica amongst the travel trade and a wish to co-operate. This is a market in which Jamaica can establish a strong and sustainable presence and so JTB's decision to appoint a representative and increase the presence in this market is worthy of support. Additional resources for co-operation with the major tour operators and to sell small hotels, villas, guest houses and apartments should be used to support the representative. Resorts such as Port Antonio and the smaller resorts elsewhere should prove particularly attractive to this market.

3.4.6 The Domestic Market

Up to now, the JTB and the tourism industry have not prioritised the domestic market. Their aim has been to maximise the growth of international visitors to earn foreign exchange, contribute to GDP and increase employment. The domestic market, with its low purchasing power, was considered to have less potential to contribute to the growth of the industry. In the domestic market, they have limited their role and activities to educating the Jamaican people about the contribution the industry makes to the economy. The education programme in schools is very useful in this regard as is the information provided by JTB to the public at large through press releases and billboards.

Whilst it is recognised that the domestic market may not contribute a high proportion of bed nights or account for a significant proportion of the industry's turnover, developing a market for tourism amongst Jamaicans is important for sustainability and to produce a vibrant product. The JTB needs to address the domestic market to make Jamaicans aware of the diversity of excellent products that Jamaica has to offer, particularly, heritage products, so that they can take greater pride in the industry and relate to it as consumers, not just employees. It needs to spend resources on informing the Jamaican people on the product on offer. The development of resort marketing, guides and publicity on heritage assets and the holding of events throughout the country will stimulate interest. Events are particularly important to educate, inform and entertain.

In addition, the tourism industry needs also to market its products more effectively to the domestic market. The case for attractions and entertainment venues marketing themselves to the Jamaican public is straightforward. Already, domestic tourists provide the baseload of visitors for successful attractions such as Dunns River Falls and, in the days when tourist resorts had a thriving entertainment sector, it was the local people that formed a high proportion of its customer base. Attractions and entertainment venues have much to gain from participating in resort and event marketing undertaken by JTB. For the accommodation sector, there are constraints over affordability that may make up market hotels and other accommodation out of reach of the average Jamaican. Nonetheless, attracting Jamaicans during off-peak months provides marginal revenues and has proved of some merit in the past. And, the value of goodwill that is built up for the industry by having influential Jamaicans stay in excellent tourism accommodation is not to be underestimated. Jamaica Hotel and Tourism Association (JHTA) and Jamaica Association of Villas and Apartments (JAVA), therefore, need to offer discounted rates for rooms in off-peak periods to the domestic market using the domestic travel trade. These special offers can be publicised through the local media by JTB.

The key, however, is to develop the country's heritage assets and additional events, and to educate and inform the Jamaican people on what is on offer. It is the link between heritage and tourism that will help to make tourism of interest to them.

3.5 Marketing Positioning and Promotion

3.5.1 Market Positioning

Up to now, Jamaica has been positioned in the market as a sun, sand and sea destination. The images presented are of beaches, tranquillity and relaxation. The JTB and its advertising agency have won awards for their

work and the destination has been projected as highly attractive. Jamaica is by no means the cheapest Caribbean destination. Its success has been due to the offer of an up market product at a price that represents good value for money.

However, as recognised in the JTB Corporate Plan, as a result of longer holiday entitlements and the increasing segmentation of the market, it is important to change the way Jamaica is positioned in its main source markets. In the future, it will be important to present Jamaica as a destination that combines sun and sand tourism with a wide variety of adventure, sports and heritage products. It will be important to differentiate Jamaica from the major destinations in the Caribbean such as the Dominican Republic and Cancun that offer very competitive prices but lack the variety that Jamaica has to offer.

Differentiating Jamaica from these competitors and projecting a distinctive image of the country calls for the emphasis to be placed on projecting Jamaica's unique heritage, encompassing diversity of fauna, flora and habitats, culture including the arts, crafts, sporting tradition, social customs and documented and folk history and the built heritage. It is the heritage of Jamaica that makes it unique and distinctive and helps to differentiate it ultimately from all other Islands.

The way to achieve a distinctive and differentiated market position is to use both the generic destination promotion and special initiatives such as resort and event marketing to bring to the attention of the market the distinctive elements of the country's heritage. Thus in future, the content of generic destination promotion should attempt to combine sun, sand and sea with aspects of heritage. And, the greater emphasis placed on product support will help to focus resources on promoting all that is distinctive about Jamaica.

The positioning of Jamaica should continue to focus on value for money, emphasising the excellent food and accommodation and richness and variety of experiences on offer. Though growth is a strategic imperative for the country, it is clear that the cost base of the country does not allow it to enter the mass market, nor is a mass market positioning appropriate in the long term given the exceptional tourism assets it possesses and the fragility of the social and natural environment. Such a positioning will call for upgrading the accommodation outside the all-inclusive hotels to improve its differentiation and to increase efficiency to cope with the likely pressure on room rates. Measures to achieve these changes are described in the following chapter.

3.5.2 The Marketing Mix

Given its responsibility for marketing, JTB has focused its activities on promotion. Further, it has relied heavily on advertising as its main promotional tool with public relations and promotions, including familiarisation tours, receiving less than a third of the amount spent on advertising in 1999/2000. The advertising has been of a generic nature, aimed at raising awareness of the destination rather than tactical, aimed at achieving specific positioning or promotional objectives.

As set out below in section 3.6 below, over time, JTB will need to change from a destination promotion organisation, effectively leading the industry's marketing effort, to a facilitating organisation, supporting the industry's efforts. This will reduce the focus on generic destination promotion achieved through consumer advertising. For the foreseeable future, the Board will need to continue its destination promotion role and maintain its consumer advertising, particularly in the US market. However, as revealed by the discussion of approaches to major markets and segments above, in future, the Board will need to tailor its marketing strategies to the needs of each market and segment. Further, marketing and sales will need to be integrated more effectively. Three major changes will be required for the future:

1. The proportion of tactical advertising will need to be increased at the expense of generic advertising;
2. Other elements of the marketing mix will need to be strengthened and all advertising linked to initiatives by the Jamaican industry to market and sell its products;

- 3.** As recognised in the Corporate Plan, greater integration will be required of promotional activities with the sales and air links function of JAMVAC/JRS and greater use made of the internet to market Jamaica.

The greater emphasis that must be placed on developing niche segments of the market and providing product support will increase the tactical content of advertising. In addition, the priority to be given to Europe will call for greater resources to be allocated to co-operative advertising because of the dominance of the major tour operators in these markets.

Given the growth imperative and the fragmented nature of the travel trade in the USA, generic advertising, using television and other mass media, will need to continue to play a role in the marketing of Jamaica. However, the use of such advertising needs to be better co-ordinated with the sales effort, from tourism agencies such as JRS, but especially the industry itself. Moreover, the paradigm followed by JTB in the marketing of Jamaica needs to change. The current paradigm is to advertise Jamaica through consumer advertising using television and mass media and prompting the viewer to call 1-800-JAMAICA. The JRS then answers the calls generated by the advertisement and steers the caller to the appropriate sales channel – travel agent and/or tour operator or itself.

On its own, this is not a cost-effective route for mobilising visitors to Jamaica. By way of illustration, in 1999, JRS handled 132,129 telephone calls of which 50,000 were requesting information on Jamaica. JRS converted 13% of those calls into actual bookings, representing less than 1% of the visitors from the USA, by itself a very poor return to the considerable amount spent on advertising in the US.

Of course, the full benefits of that advertising include also the many enquiries and sales that were generated through the consumer contacting his/her local travel agent and/or tour operator directly and the many sales that were made by the US travel trade rather than JRS. The large Jamaican chains such as Sandals and Super Clubs would have also benefited directly, as they have sales offices in the US.

The fact is that advertising is the means to generate interest. Translating that interest into sales requires a structured approach to the market that incorporates also other initiatives to place the product in the appropriate sales channels and to mobilise those channels to sell the product. In future, each initiative, be it generic advertising to raise awareness, a special marketing initiative to develop a niche segment or support for a particular product, should involve:

- (i)** Identifying partners in the travel trade that have the client base to sell the particular product/promote the particular market segment;
- (ii)** Putting forward a tailored proposition to identified partners in the travel trade that meets the needs of their particular client base. The proposition should take the form of a package of flights, accommodation, food and local tours, as appropriate, and the travel trade should be educated on what is on offer;
- (iii)** Providing an incentive to the travel trade to sell this package through commissions, volume discounts or some other form of promotional incentive;
- (iv)** Helping the travel trade with the preparation of collateral material and undertaking co-operative advertising;
- (v)** Working with the Jamaican industry to mobilise their own partners in the travel trade so that the product reaches the appropriate channel and there is a strong commercial relationship between the Jamaican suppliers and their marketing intermediaries.

Only when such a structured approach is in place should the initiative be launched through consumer advertising. The advantage of this approach is that it firstly helps to mobilise the support of the retail intermediaries

through which the overwhelming proportion of holidays are purchased and on whose guidance the consumer relies. It would also allow JTB to leverage its expenditure on advertising by the efforts of sales channel partners in co-operative advertising and by the display of collateral material.

Moreover, instead of promoting a single sales channel, it should be possible to provide a multiplicity of channels that the consumer can use to purchase the Jamaican product. 1-800-JAMAICA is a valuable asset and should continue to be used but the consumer should be informed, via a logo or other device, that he/she can approach a travel agent in the vicinity as well to find the holiday of their choice.

To prepare this integrated proposition, the Jamaican industry must be mobilised to define the product and offer the appropriate incentives to the travel trade. This in turn will mean that the industry is made aware that it is its marketing and sales effort and not the JTB that determines the success of the industry. Further, it will make the industry seek the JTB's advice and guidance on the appropriate marketing strategy and sales channels for each business, thus helping to improve the effectiveness of the way that new, inexperienced and/or small businesses market themselves.

Currently, attempts to utilise a comprehensive product-sales channel-advertising package have been limited to the Insiders Programme. This is an extremely well-designed programme but one which was better suited to the European market and to specialist segments of the US market rather than the US market to which it has been confined up to now. The mainstream US market is not suitable for selling small hotels. The Insiders Programme should therefore target Europe and specialist segments of the US market as described above.

The JTB Corporate Plan recognises the need to improve integration of the marketing activities of the JTB with those of JAMVAC to increase air lift and establish new gateways and JRS to sell packages to support new gateways and products that are not sold by mainstream travel partners. JAMVAC has been vitally important in developing new source markets such as the mid-west and west coast states of the USA. It will be essential to develop the major source markets of Europe such as France. Without direct air links, the distance to the market, measured in travel time, can represent a barrier that no amount of effective marketing could hope to cross.

JRS has played three important roles:

- (i) It has served as a tour operator (wholesaler) of packages in support of the opening up of new gateways. In parts of the market that have not had air links to Jamaica, tour operator activity to sell the destination is likely to have been low, so the organisation has stepped in to fill the gap;
- (ii) It has promoted packages offering small hotels and other accommodation not featured strongly by the mainstream tour operators;
- (iii) It has worked for the JTB to answer the 1-800-JAMAICA toll free line.

The organisation has received minimal support from Government to fulfil this role. With the exception of the JTB paying for the company to answer the free phone number and a modest contribution to overheads, the company has been largely financed out of the commercial proceeds from selling packages. It has grown into an important generator of business for Jamaica and has a significant turnover. Its performance is to be commended.

Implementing the Master Plan, with its call for greater emphasis to be placed on developing new or under-developed market and product segments, will require JRS to expand all three roles with a major expansion of its telemarketing function. In the US, the company should continue its current role in supporting JAMVAC in opening up new gateways and answering the 1-800-JAMAICA number. The strategy of targeting VFR visitors and the African-American market and opening up niche segments of the market, such as groups and conventions, will offer the company new opportunities to put together packages for the retail trade and for

corporations and groups that operate their own travel programmes. It will have a vital role to play in providing product support to villas and apartments and small hotels and in marketing resort areas that do not have mass market appeal.

The major change, however, will be for JRS to include Europe in its sphere of operations. The company has to date confined its operations to the USA. The priority to develop the European market will call for JRS to support JAMVAC in the opening up of new gateways helping the airline operating the charter to sell seats. In addition, the company's role to sell products that are not aimed at the mainstream market is actually better suited to the European market than to the US, where it has operated up to now.

In Europe, alongside the major operators, there are specialist tour operators and travel agents that cater for specific segments of the market. These specialists often need to put together packages of flights, accommodation, tours, car rental and so on which is a role that JRS is well placed to play. In the UK and Italy, the sizeable segments of the market for independent travel are catered for by travel agents that need support also in putting together packages.

But perhaps the most important change envisaged for JRS is in its telemarketing function. The company has established a substantial telemarketing capability at the digiport in Montego Bay. The facility is currently used to answer the toll free line for JTB and to convert enquiries into sales for JRS itself.

It is intended to transform JRS's telemarketing facility into a major resource to support the development of the Jamaican tourism industry. The key to support new, inexperienced or small businesses and currently under-developed parts of the industry in the marketing of their products is to provide two types of assistance:

- (i) Information to develop a strategy to put forward an appropriate proposition to the market for their products, identifying market segments to target, how to compete against rivals, appropriate sales channels and changes to product and price that may be required to develop competitiveness;
- (ii) Sales support to establish contact with target intermediaries, supply them with brochures and marketing literature and put the market proposition to them, follow up to gauge response and develop a dialogue to convert interest into long term partnerships.

JRS's telemarketing function is well placed to carry out the research required to develop an appropriate market proposition. Telemarketing offers the capability to survey a large number of potential customers quickly and at comparatively low cost. The information provided by the research could then be used by the business to develop its marketing proposition. Identification of appropriate sales channels for the product would overcome a major shortcoming. If required, expertise to structure the research and translate its findings into a market strategy could be bought in, using a matching grant facility described in the chapter following.

JRS could be extremely useful in performing a tele-selling function. With the exception of the large chains, most businesses in the Jamaican tourism industry lack the skills and resources to sell their products to a wide range of appropriate intermediaries. Tele-selling would allow them to develop sales networks amongst appropriate intermediaries in a range of countries. At present, few businesses in Jamaica could have claimed to have achieved this, and the level of interest in receiving such assistance is high.

In combination with the data held at the company that preceded JRS in the servicing of the 1-800-JAMAICA number, the data available to JRS on the consumers interested in Jamaica and the travel trade that sells Jamaica, represents a major commercial asset. It should be used in support of the Jamaican industry. By rights, the data belongs to JTB who should collate this data and make it available to the industry through the services of JRS. As JRS gets involved in the opening up of new market segments and product markets, it will continue to build on this database, representing a powerful and growing resource to be deployed in support of tourism.

The full impact the internet will have on the marketing and sales of tourism products remains to be determined. Up to now, its main impact has been as follows:

- ▶ Consumers are using the internet to investigate their short-listed candidates to help make the final choice of destination. The huge volume of correspondence in chat lines and on hosted websites of the experiences of individuals in particular destinations is making the internet another opinion former along side the recommendation of friends and relatives. Information provided through search engines is being used as a decision tool;
- ▶ The use of e-commerce to purchase discounted tickets and last minute holidays by consumers is growing. It is estimated that in 1999, over US\$5 billion worth of air tickets were sold online;
- ▶ The number of hits on websites set up by the industry is growing, though the majority are for seeking information rather than purchasing directly;
- ▶ The proportion of holidays bought and paid for over the internet is increasing, particularly in the US.

The internet is still not the preferred method of buying holidays. The actual booking and payment transaction is still most likely to be completed at a travel agent, even if the information to make the choice of holiday was obtained through the internet. Concerns over the security of the internet as a paying medium remain. And, direct email contact with the industry is likely to be in the form of a booking rather than the complete transaction.

Nevertheless, the internet is becoming a hugely important, comparatively low cost, marketing tool. It is particularly suited to the needs of the small business that cannot afford to pay huge sums for marketing and has a limited workforce. The internet calls for the following response from the tourism industry and those responsible for marketing it:

1. It will be important that all businesses establish attractive and informative websites that can use the multi-media capability of the internet to its full. All websites should have a response facility to respond to requests. The sites should either have booking and secure payment facilities, or refer the user to another site with these facilities;
2. As a business to business communication and sales tool, the internet is developing faster than a business to consumer tool. Thus communication with the travel trade for product enquiries, bookings and customer relations will grow and those unable to service this need will lose out;
3. Like the JTB, all destination promotion organisations should have attractive websites and use them proactively to educate, inform and promote. The internet is an excellent medium for bringing out what is distinctive and unique about a destination and for exposing new products and features. It is thus a valuable tool for developing new segments and supporting underdeveloped products. The site must have follow up facilities and JTB has achieved this already using the services of JRS. The database of the hits on the sight will prove a valuable marketing tool;
4. The public relations functions of marketing organisations will need to keep abreast of and respond to the flow of correspondence and dialogue on the internet about the destination, alleviating fears and responding to adverse experience.

These developments will prove challenging for small businesses and those with limited exposure to internet technology. Support will be required by the industry in managing the new technology as detailed in the following chapter.

3.5.3 Air Links

For tourism, the marketing mix includes air links. The flight is part of the total product purchased. Its 'cost', in terms of time and money, is an important determinant of the total price paid and the visitor experience. For a tourism destination, the capacity of the airlines operating to the destination also determines a ceiling on the

numbers of visitors it can generate. Jamaica is fortunate in having its own national carrier and, in general, is well served by other airlines. The tourism industry has also been well served by JAMVAC which has played the strategic role of opening up new gateways. The country has suffered from lack of direct air links with some European countries such as France but in general it is well connected to its main markets.

Achieving the targets set by this Master Plan will require a substantial increase in air lift capacity. In the main, the increases would result from increased flights put on by Air Jamaica and the other scheduled and charter airlines. What is required of GoJ is to ensure that air policy, with regard to airports, landing charges, cost of fuel, restrictions on selling seats, collection of airport taxes is conducive to the airlines. We discuss airports alongside location strategy in Chapter VI below. In general, air policy is conducive, though airlines complain of high fuel charges. The major irritant of airport tax being collected from passengers directly, which caused congestion and slowed down passenger handling, has now been addressed.

The main policy issue remaining is the issue of restrictions placed on the proportion of flight only seats that the charter airlines can sell. This is viewed by the charter airlines as an impediment to increasing lift capacity. This is an important issue for the European market in which charter airlines play an important role and for certain parts of the tourism industry such as small hotels, villas and apartments and guest houses that are more dependent on independent travel.

The restriction is viewed by many as a way of protecting Air Jamaica. Thus it is seen as part of the country's policy of maintaining its national carrier even though the national carrier is privately owned. To the extent that the policy restricts lift capacity it is not in the interest of the tourism industry. From the point of tourism, what is required is the largest possible number of seats at the lowest cost possible, thus ensuring that lift capacity is not a constraint to increasing visitor numbers and improving the value for money offered by the destination. At the same time, the tourism industry recognises the huge contribution made by Air Jamaica to the tourism industry. The issue needs to be discussed with the Ministry of Transport and Air Jamaica to see if the restriction cannot be lifted or at the least eased.

JAMVAC needs to continue to play the role of facilitating the opening of new gateways. The role must take account of strategic priorities set by the marketing strategy. Thus improving air links to Europe should form the major agenda item for the organisation. JAMVAC's role and budgets are discussed further in the following sections.

3.6 Institutional Responsibilities and Relationships

Delivering the activities outlined above will require the co-ordinated effort of JTB, JAMVAC and JRS. Further, over the lifetime of the Master Plan, the role and responsibilities of the organisations individually and of the public sector support agencies in general is likely to change vis-à-vis the private sector. This section examines the roles and responsibilities of the agencies and the way that the Ministry must ensure they work in co-ordination to deliver results.

3.6.1 The Roles of the Board, JAMVAC/JRS

As is the case with all National Tourism Organisations (NTOs), JTB's activities serve to complement the activities of the private sector which must remain the main vehicle for selling the Jamaican tourism product. NTOs are essentially development agencies and hence their focus must be on assisting parts of the industry that cannot help themselves or undertaking activities in which the public gain outweighs private gain. Thus the JTB's activities need to focus on:

- ▶ Developing new or underdeveloped source markets;
- ▶ Developing new or underdeveloped market segments;

- ▶ Promoting underdeveloped products and assets;
- ▶ Assisting parts of the industry that do not have sufficient resources to market and sell their products effectively.

Underdeveloped markets and segments are those in which the industry has the potential to compete effectively but is yet to fully establish a market presence. Thus the Continental European countries can be regarded as underdeveloped markets and the mature market an underdeveloped segment. Guest houses, villas and apartments is an example of an underdeveloped product. The case for public sector involvement in these markets, segments and products is clear: the private sector needs help to overcome constraints or reduce the risk of dealing with the unfamiliar and there are likely to be benefits to the whole industry from increasing market presence. Support to small and/or disadvantaged businesses is justifiable as these businesses lack the resources to develop themselves and they should be supported in the interest of creating a competitive and efficient industry that would be able to deliver sustained growth.

The case for supporting the destination promotion function of the Board is more complex. The destination promotion function works by virtue of the fact that visitors normally select a destination before they choose a specific hotel or other product, so destinations need to be promoted before individual products can be. Depending on the circumstances, the development function can play one of two roles. Where markets are under developed, by creating a favourable environment for the private sector to sell its product, it can play a development role. But even if markets are well established, destination promotion serves the more commercial function of pooling the industry's resources to promote the destination. This function of pooling resources of the industry (through taxation or other means) and using them to serve the interests of the industry, irrespective of whether the market is new or underdeveloped, need not in fact be carried out by a government agency. There are many examples of the private sector taking the lead in such activity, directly, or through a trade association such as the JHTA, with or without the NTO. Where the market is under developed or rapid growth is required for economic objectives, as is the case with Jamaica at present, destination promotion by the NTO can be justified for its development impact. But as markets and the industry matures, this function should receive less priority from the NTO and be left to the private sector to take the lead on, either in partnership with the NTO or entirely independently.

Certainly, when the industry is mature, the private sector should provide a substantial part of the resources for destination promotion directly (not through the Consolidated Fund), as is the case with many developed and developing countries. *The Diagnostic Report* sets out the way the NTO's role should change from destination promotion to facilitating private sector activity and shows that, even in developing countries, up to a third of the resources for destination marketing are provided by the private sector, independent of the Consolidated Fund. Alternatively, the pooling function can be served by the industry contributing directly to a destination promotion fund as practised in The Bahamas. A part of the indirect taxes paid by the industry in the form of General Consumption Tax (GCT) could be earmarked for payment directly (not through the Consolidated Fund) into a destination promotion fund. As discussed in the next chapter though, this may need to be part of a realignment of the system of taxing the industry and increasing the integrity of revenue collection. This is an option that should be explored further in Jamaica as the current situation of funding through the Consolidated Fund leaves much to be desired.

At present, destination promotion activities of the JTB can be justified for development reasons but this will not always be the case over the next decade. *Thus, over the lifetime of the Master Plan, a fundamental change will be required in JTB's role and activities.* At present, the JTB regards its core role to be destination promotion to generate visitor numbers and the achievement of other roles and functions as add-ons to be accommodated if resources permit. It focuses its resources on 'fishing where the fish are' (North America) to maximise visitor numbers. It should instead view destination promotion as a temporary activity to be undertaken

whilst the growth imperative remains, but one which will increasingly pass to the private sector. Its core role is to develop underdeveloped markets and assist parts of the industry that do not have the resources to market themselves.

It is for this reason that the Corporate Plan's aims of prioritising Europe whilst maintaining the level of effort in North America, of targeting specific market segments and providing product support to underdeveloped sub-sectors of the industry should be endorsed and translated into budget allocations. The Master Plan envisages resources for both destination promotion and these functions but, if for any reason sufficient funds are not forthcoming; it is the destination promotion function and not the strategic role of the Board that needs to be cut back. Over time, the Plan envisages cutting back expenditure on destination promotion in the US market.

Apart from the fact that destination promotion should not be viewed as its core activity, the way that the industry and the Board itself view its destination promotion function sets dangerous precedents for the respective roles of the private and public sectors. The tourism industry and the Board regard the JTB as being responsible for generating growth of visitor numbers and hence any setbacks in achieving growth are blamed on the Board. This is a view that is both incorrect and detrimental to the interests of the industry, long term. It is dangerous to credit it with the growth of visitor numbers (or a decline) as that may detract from the responsibility of individual businesses to market themselves effectively.

It must be recognised by all that the prime responsibility for generating visitors to Jamaica and for the sale of their products rests with the tourism industry. The JTB's role is to facilitate the growth of the industry, not to be responsible for the industry's performance. To achieve the change in perception required, the JTB should focus more on advising businesses on how to market themselves effectively and to provide practical support to those in underdeveloped product segments and/or disadvantaged by scale. These roles have up to now not received the attention that the Board has given to destination promotion.

JAMVAC and JRS are separate companies and must remain so because the commercial role they fulfil may otherwise expose GoJ to unlimited liability. But henceforth, it must be the case that the Ministry of Tourism sets the priorities for joint actions between the three and that all three agencies will be held accountable for the success of these activities. The Board must take an active part in all initiatives to open new gateways with JAMVAC, sell products in which the mainstream market has limited interest with JRS and serve as the channel for marketing assistance to be provided to under developed parts of the industry with JRS, as set out under Marketing Mix above. Lack of co-ordination between the agencies must become a thing of the past.

JAMVAC's role has been confined to opening gateways and this should remain pretty much the same as before. The changes we recommend are that firstly, its priorities and budgets should be determined by strategic considerations of the air links needed to meet targets for visitor numbers and developing new markets. Up to now, these have been set to maximise the returns to monies likely to be made available from the Consolidated Fund. The second is that the organisation be charged to input into transport policy the viewpoint and needs of the tourism industry to resolve important issues such as the limits placed on the percentage of flight only tickets that the charter flight operators are allowed to sell.

As noted earlier, JRS's role should be expanded considerably by extending its services into Europe and by turning its telemarketing and tele-selling capabilities into a major asset for small and underdeveloped parts of the industry. A crucial issue is how to finance the support provided to the industry by JRS's telemarketing capability. In the past, JRS served as the marketing agent for Jamaican businesses and found that it had difficulty in collecting the commissions due: the company, therefore, started to sell its services to visitors and the foreign travel trade. The principle of charging the Jamaican industry for its services remains valid, as these businesses are likely to benefit commercially, though government should provide a matching grant in the case of small businesses. JRS should be required to charge on a non-profit basis.

In future, it will be important to ensure that failure to pay carries with it sanctions that will prevent abuse. It is recommended that all requests for assistance in marketing and sales from the industry should be directed to JTB in the first instance. JTB should develop a unit to provide marketing support to the industry. The unit should keep records of all assistance provided and serve as the source of guidance and advice on how best to use the services of JRS or other private sector experts. Having decided on the course that the assistance should take, it should agree with JRS the time-scale and fees for the assistance required. The unit should sign a contract with the beneficiary to provide JRS's services and commission that organisation to carry out the agreed programme of work. As described in the following chapter, JRS should have to compete with other private sector providers to play this role.

A small advance should be required from all users of the service to ensure their sincerity and commitment. When the work is completed and has been vetted by JTB for conformity with the specifications, it should be released to the client on receipt of a further payment. The balance should be payable when the client is satisfied with the work. The contract with the client should make it clear that, with the exception of cases of *force majeure*, failure to pay would result in removal of the JTB licence and this measure should be invoked whenever the payment period has been exceeded.

3.6.2 The Ministry of Tourism

The responsibility for setting strategic priorities, allocating resources and holding the agencies responsible for them will rest with the Ministry. This will require the Ministry to use the annual round of budget allocation more effectively than it has done in the past and call for the active participation and commitment of the Ministry of Finance.

The annual budget cycle for public sector agencies in Jamaica is well designed but poorly implemented. The cycle is intended as the annual update and adjustment of a three year rolling forward corporate plan. The allocation of budgets to programmes and activities is supposed to facilitate target setting and monitoring.

In tourism, however, the way that the system has been implemented has had the following shortcomings:

- ▶ There has been little strategic guidance provided to the agencies with the result that they have set their own priorities, running the risk not only of poor co-ordination between them but also that the agencies may not prioritise activities based on their strategic importance;
- ▶ The targets set have not been specific and detailed enough and agencies have not been made to account for them. The corporate plans of the agencies do not start with a report back on the targets set and results achieved for the major expenditure programmes;
- ▶ Instead of following a three year rolling forward plan, resource allocation has been determined annually on the basis of the monies available to the Ministry of Finance.

In fact, the system as implemented has been no better than line item budgeting that it was designed to replace. The use of the line item budget method makes it impossible to hold agencies accountable for performance, as the agency can simply point to cuts in its budget for failure to perform. The causes of the failure to implement a system that represents best practice worldwide lies with the lack of a strong Ministry, in the past, to oversee the tourism industry and the Ministry of Finance's inability to work to three year plans. The result is poor use of scarce resources.

In future, the cycle for annual budgets must start with the release of strategic targets by the Ministry of Tourism and the holding of meetings not only with individual organisations but also cross-agency prior to budget submission to ensure co-ordination. Further meetings will need to be held post-budget allocation to ensure that any cuts made do not result in a loss of strategic focus, and that revised targets are agreed for all programmes.

Moreover, having completed and had approved a three year corporate plan for its agencies, the Ministry must reach an agreement with the Ministry of Finance on programmes that will have to be maintained over the three years. The Ministry of Finance should be made to understand that if assurance cannot be provided for the continuation of these programmes, then they may as well as not be started. Otherwise money will have been wasted. In future, all corporate plans should start with a review of actual performance against targets with an analysis of the cause of variances, negative and positive.

3.7 Budgets

3.7.1 The JTB

The recommended level of resources for JTB is predicated on the following assumptions:

- ▶ JTB has and should continue to maintain a substantial establishment with a network of overseas offices in the USA, Canada and the UK to cover Europe as well as a strong presence in Jamaica. The Board is expected to add an office in Germany and representatives in the Netherlands and Spain. This establishment is justified as long as the industry is in a strong growth phase and the Board is to be given resources to use the establishment to run programmes to develop the industry. If funds are not available to run programmes and/or when the industry reaches a mature stage of its development, the establishment would have to be cut back;
- ▶ The establishment is run efficiently. Whilst there is always room to increase efficiency and all organisations have a responsibility to do so, the JTB has been the subject of numerous efficiency reviews that have concluded that there are no major savings to be made if the current establishment is to be maintained;
- ▶ That accelerating the rate of growth of the industry will be led by the public sector but increasingly, the private sector will take responsibility for marketing its product and the destination, at least in markets where the country has established a strong presence.

The only efficiency measure that is recommended is that the Board should hold tenders to appoint advertising agencies in the US and Europe. The Board has not held a tender for many years now and the market for advertising services changed dramatically during the 1990s. The creation of new conglomerates such as WPP has been accompanied by a commoditisation of the market. The basis of payment has changed from large retainers and call-off contracts to fees paid for services delivered. Advertising has become much more like consultancy and other professional services and costs have fallen. JTB should take advantage of these changes.

The separation of the appointment of an advertising agency in the US and Europe is a reflection of the different use of advertising in the two markets as well as the differences in the markets themselves. No doubt the agency that succeeds in winning the contract in one market will tender also for the other and reflect the economies that result from serving a single client in two markets. That agency can thus serve as the benchmark against which the appointment of an agency for the second market would be evaluated.

The baseline for the Master Plan is the JTB's approved budget for the year 2000/2001 of US\$31.2 million. To implement the programme of activity outlined above, to this should be added the following (see table on next page):

Market	Segment/Activity	Budget US\$ (000)		
		2001	2005	2010
US	Market segments/product support	4,000	2,000	
Canada	Co-operative advertising, market segments, product support	500	1,000	500
Europe	As per JTB Corporate Plan	5,000	7,000	5,000
Events & Special Projects	JTB Plan plus additional local festivals events	1,500	1,500	1,000
Resort Marketing	Production of guides, brochures, maps, interpretative displays, heritage sites	500	100	100
Total		11,500	11,600	6,600

The increase in the budget for the US would be to enable JTB to increase its advertising spend by US\$2 million to make that spend more effective and undertake the launch of new initiatives aimed at developing niche segments of the market. At present, the JTB has resources to buy media space only periodically. This leads to poor value for money as the fixed costs of developing new creative material are not spread over sufficient audience reach. The sums allowed for the new initiatives in the US market are not large. The fact is that the launch of these programmes is not expensive as they would not rely on expensive TV advertising but instead target the market segment with print and radio. Further, product support programmes for small hotels, villas, guest houses and apartments would not be expensive as they are envisaged as being sold as components of packages aimed at particular market segments.

The largest increase of all would be funds for the European market. JTB's Plan for Europe represents good value for money. Advertising accounts for less than half the budget and that includes co-operative advertising and advertorials for the trade. Sales activity is given equal importance. The cost of product support programmes such as Insiders is kept low through co-operation with the trade. Though some part of the planned European spend has no doubt been included in the 2000/2001 approved budget, the allocation of the full US\$5 million originally planned by JTB is justified by the strategic importance of the European market.

The two other items targeted to receive substantially higher expenditure are events and special projects and resort marketing. Both contribute to the differentiation of the Jamaican product and further the cause of developing Jamaica's heritage. They are both important to overseas marketing and the development of the domestic market.

The JTB had planned a programme of events and special projects that would have ensured that sports, religious and cultural events were held regularly in major overseas markets and in Jamaica. To this should be added community-based events in each parish, using the precedents of the shrimp and jerk festivals held recently. A proportion (roughly half) of the cost of these events has been assumed to be recouped and the figures shown are net of this recovery.

Resort marketing requires initial expenditure to research and publish guide books, develop circuits and trails and audio-visual material on the premier attractions. Heritage sites and local culture and history are to be given priority and the involvement of both experts and local community groups in this field will initially require resources. Recurrent expenditure would be much lower.

JTB's budget is expected to increase to over US\$42 million initially, and then start to decline. The plan should be to start to reduce the allocation of funds for destination promotion generally and to support the growth of new segments of the market as they become established. Hence, in the US market, reductions on destination promotion would start to be warranted from 2005. The savings made should be used to continue to

develop segments of the market and provide product support.

In Europe, expenditure should peak at US\$7 million in 2005 and be maintained at that level for three years thereafter. In 2009, however, expenditure should start to fall.

Although the increase in JTB's budget would be substantial, it is justified by strategic considerations. The country cannot continue to ignore the European market. It has already lost out to its rivals by doing so and would risk loss of the continental European market altogether. The other increases are also vital for the industry to meet the targets set out above. A full justification of the expenditure is presented in Chapter VIII for the Master Plan as a whole.

3.7.2 JAMVAC/JRS

JAMVAC's existing budget of some US\$2.5 million or so is sufficient to carry out its core function of supporting the new gateways it has opened in the past by co-operative advertising and absorbing a proportion of the risk borne by the operator through a risk-sharing formula. It enables it also to support routes with low load factors and to work with Air Jamaica on code-sharing and joint fares to expand seat availability from behind their major gateways. These are all worthwhile activities that need to be continued.

The agency has not had for some time the funds available to undertake the strategic activities of opening up new markets or expanding the number of gateways and flights from existing markets. This is a critical function if the Master Plan targets are to be achieved. The benefits in comparison to the expenditure are high. For example the US\$2 million risk budget for the agency, inclusive of advertising, could deliver an estimated 36,000 seats at an average cost of US\$64 per passenger, assuming break-even use of the charter. The expense can be justified to GoJ in terms of departure tax and GCT paid by the visitor alone, let alone the foreign exchange earned and effect on GDP.

It is recommended that for the next five years, the JAMVAC budget is increased to US\$5 million annually to ensure that the availability of seats is not a constraint on the growth of visitor numbers and that new air links are established with France, Spain and Italy and to replace lost capacity in the Netherlands and Germany. These European destinations should be given priority over the US gateways that JAMVAC had planned to open.

After the five years, the budget could be reduced down to US\$3.5 million, enabling the agency to support the new gateways opened but not to open new ones. By that time the momentum for growth established by the industry should prompt charter operators and scheduled carriers to increase lift capacity.

JRS is in receipt only of a small amount of public funds to cover the costs of answering the 1-800-JAMAICA number and a small subvention for overheads. The organisation funds itself from the revenues it earns by selling its packages to US visitors. The Master Plan requires the organisation to fulfil two key roles:

- ▶ Establish a presence in Europe so that it can perform the same function that it does in the US of fielding enquiries from the trade and consumers and acting as a tour operator to sell packages that are not sold by the mainstream market;
- ▶ Use pro-actively its telemarketing capability to support the industry in the North American and European markets.

The cost of establishing an office in Europe, including a dedicated line to its facility in Montego Bay is estimated at US\$500,000 per annum. Its budget should be increased accordingly. Funding for its services in telemarketing should come from a combination of the industry and a matching grant facility put in place by GoJ. The matching grant facility is described under support to the industry in the following chapter.

3.8 Conclusions and Recommendations

The conclusion and main recommendations for the Marketing Strategy are as follows:

1. The rate of growth of visitor numbers is likely to be relatively low in the first five years of the Master Plan because of difficult market conditions. This period should be used to invest in building market presence in underdeveloped segments of the US market and the European market and to bring about improvements in product and competitiveness so that the country can take full advantage of more favourable market conditions that are likely to prevail in the second five years;
2. The target for visitor numbers can be achieved only if Jamaica continues to increase market share in the US market whilst recapturing lost market share in European markets. The Caribbean and Latin American markets, though less important, also offer the prospects of significant growth of visitor numbers;
3. For the accommodation sector, the critical measure of volume of sales is bed nights sold. It drives occupancy. This measure is targeted to increase faster than visitor numbers so that the accommodation sector recovers occupancy levels and is in a position to increase room stock. This can be achieved provided length of stay is increased by targeting European visitors and critically, that a proportion of the 350,000 or so VFR visitors can be induced to spend a proportion of their long stays in Jamaica in formal accommodation;
4. To achieve the Master Plan's target for the growth of visitor expenditure of 8.2% p.a., the average spend per visitor must grow by 30% over the Plan period, from US\$935 per visitor in the year 2000 to US\$1,210 per visitor in 2010. Achieving this target will prove difficult as room rates are likely to come under pressure, particularly in the European market. Achieving the target requires increasing visitor expenditure outside the accommodation sector and enticing VFR visitors to increase their expenditure on tourism accommodation, attractions and other non-accommodation sectors. Targeting VFR visitors thus is of strategic importance to the tourism industry;
5. Despite the recent downturn, the underlying fundamentals for the growth of cruise tourism are sound. Jamaica's location in the Western Caribbean makes it well placed to benefit from this trend. However, the visitor experience at Ocho Rios and Montego Bay must be improved, along the lines proposed by MOTS. If the planned cruise terminal at Port Royal comes on stream, Jamaica would have a world class cruise port. But it is likely that Port Royal will divert visitors from other Jamaican cruise ports as cruise ships are unlikely to dock twice on the same Island;
6. JTB's Corporate Plan is a sound document. It recognises the increasing fragmentation of the market suggests a segment based approach to the market and aims to provide product support to guest houses, villas and apartments and small hotels. The document provides additional resources for resort and events marketing and on working with trade partners, ensuring value for money for advertising spend and on using a balanced marketing mix that utilises a full range of promotional and sales tools. The Corporate Plan, with minor modifications, should form the basis of the future marketing strategy for the country. Resort and event marketing should feature entertainment, sport, cultural and religious events to maximise the linkages with these sectors in which Jamaica has international stature;
7. The main initiatives for the major US market are to improve market share in the mature, VFR, African-American, meetings and conventions and incentive travel and golf markets, offering the nature or eco-tourist a combination of adventure or nature with sun and sand. These segments need to be targeted through a combination of promotion, mobilising appropriate travel trade partners and by the offer of products tailored to their needs. The Insiders Programme and villas and apartments should not be promoted as products in their own right as they are unlikely to appeal to the mainstream US market. Instead they should form part of the product offer for the segments listed above. They suit visitors with longer length of stay looking for more intimate contact with local people and culture;

8. The approach to the Canadian market needs to focus on differentiating Jamaica from other major Caribbean destinations based on the richness of its heritage and people. The focus should be on offering price competitive 3-4 star hotels and working closely with the 4 major tour operators to promote Jamaica. The VFR market, small hotels and villas and apartments would benefit from specialist promotion through the appropriate, specialist travel partners;
9. The UK market requires for its mainstream sun and sand segment an approach identical to that for Canada. But the country has also a sizeable (30%) market for independent travel that requires JRS to provide its tour operator capability to offer tailor made packages and itineraries to travel agents specialising in this segment. The VFR market also requires the same approach;
10. Capturing market share in the three main continental European markets of Germany, France and Italy must be the most important item on the JTB's marketing agenda. In Germany, the JTB plans to open an office and this is to be commended. In addition, it must work to promote Jamaica with the country's dominant integrated, travel companies. The offer of competitively priced accommodation in large hotels to the major travel companies will be decisive in regaining market share. The French market needs the establishment of direct air links as well as close co-operation with the major tour operators. The Italian market is similar to the UK but has a larger independent travel segment and weaker tour operators. It can be approached in broadly the same way as the UK;
11. The JTB, in conjunction with the tourism industry, must promote tourism to the domestic market in the interest of sustainability, so that Jamaicans relate to the industry as consumers and take pride in the experience on offer. Offering cheaper rates for attractions and accommodation outside peak hours combined with strong resort and event marketing appear to be appropriate strategies;
12. The less developed resort areas such as Portland, St Thomas and the South Coast should be marketed to segments of the market such as the VFR visitor, the African American and the mature market. They offer the combination of nature, culture and history and non-hotel based accommodation that should appeal to these visitors. The distance to the airport of these markets should not prove as great an obstacle to these comparatively long-stay visitors;
13. In all markets, Jamaica needs to be positioned as an up market destination. The country is not price competitive against its major Caribbean rivals. The promotion of the country should stress the richness and diversity of the country's heritage and present the appropriate face of Jamaica for each target segment of the market;
14. The marketing mix needs to achieve better co-ordination of marketing with sales. Advertising should be undertaken only when sales channels have been mobilised through incentives to sell a tailored product. The industry must mobilise its own sales force to work in concert with the JTB. As suggested in the JTB plan, the full range of marketing and sales tools should be used as part of a marketing mix that is appropriate to that market and the target market segment. The industry must respond to the growing importance of the internet as a shop window for products, means of mobilising travel trade partners and, in time, as a direct sales channel;
15. The JTB's role as an agency needs to change over the coming ten years. At present, the agency is recognised mainly for its role in destination promotion. Its developmental role of opening up new or strengthening under developed markets and supporting parts of the industry that cannot help themselves (small businesses) and under developed sectors of the industry (villas, apartments, attractions, sports, entertainment) is less well recognised. The role of government agencies is to maximise their developmental role. As the industry matures, the tourism industry needs to take the lead in destination promotion;
16. It is essential that the tourism industry recognise that individual businesses bear the prime responsibility for marketing and sales of their product, not the JTB. The Board, like any government agency, is an enabler only;

17. JRS's role as tour operator must be strengthened and extended to Europe to provide a product suited to niche segments of the market. Its telemarketing and tele-sales capabilities are a vital asset that must be made available to small businesses that lack the resources to market and sell their products effectively;

18. Far greater strategic direction is required from the MOTS to ensure that tourism agencies co-ordinate their activities effectively. Budgets must be based on resources required to achieve targets, not line item budgeting. The principle of providing stable budgets to allow three year corporate plans to be implemented must be restored. MOTS needs to reach a firm covenant with the Ministry of Finance that provides security for strategic marketing activities, otherwise the result will be the waste of money that usually accompanies marketing activities that are not sustained long enough to have the desired effect on the market;

19. To achieve growth targets, it is intended to restore JTB's advertising spend to 1999/2000 levels, provide for a major promotional push into the European market and provide additional resources to address the underdeveloped segments and products listed above. The total incremental budget for JTB should be in the region of US\$11.5 million;

20. It is planned also to increase JAMVAC's budget to US\$5 million for five years falling to US\$3.5 million thereafter. JRS should receive a budget of US\$1 million per annum for the lifetime of the Master Plan.

The major policy level initiatives required to implement the Master Plan are:

- ▶ Discussions with the Ministry of Transport and Air Jamaica to agree how restrictions on sales of seat only airline tickets can be lifted or at least eased;
- ▶ Increased direction from MOTS to its agencies in setting budgets and monitoring performance against budget targets to increase adherence to strategies and co-ordination between the agencies;
- ▶ Discussion with the Ministry of Finance to agree how three year rolling forward budgets can be made effective in order to ensure that strategic goals can be achieved and money not wasted on programmes that are initiated but never completed;
- ▶ Discussions with the tourism industry and Ministry of Finance to assess their views on funding destination promotion activities out of a specified proportion of the indirect taxes paid by the industry with monies ring fenced so that they are not paid into the Consolidated Fund and can be controlled by the industry in conjunction with MOTS and JTB.

IV The Tourism Industry

Sustaining Jamaica's market position requires the development of an efficient and internationally competitive industry. At present, only the all-inclusive hotels could be considered internationally competitive. Small EP hotel and guest houses, villas and apartments need to be restructured with the unviable helped to exit the industry and the viable helped to position themselves on the basis of a unique product offer. Technical and financial assistance will be provided to achieve this objective. The attractions sector will be also be provided with such assistance to improve the product on offer and broaden the range of visitor experience. The gaps in the product currently on offer – large EP hotels, very large hotels catering for the meetings and conventions market, entertainment, leisure and sports complexes – are to be covered through mobilising foreign investment to complement domestic resources. An inter-agency task force should be established for this purpose. Ancillary sectors of the industry such as attractions, entertainment and sport, food and beverages, transport and shopping offer huge potential for increasing GDP and jobs. They would be offered a combination of marketing and product development support. A new Human Resource Development (HRD) initiative is required to develop a national system of vocational training and to make skills more easily transferable. The major policy change required is to move to a transparent incentive system that focuses on indirect taxation, reducing customs duties to make the industry more competitive.

4.1 Introduction

This section sets out the changes required to develop an efficient and competitive tourism industry in Jamaica able to secure a sustainable market position. It starts with the key findings contained in the Diagnostic and Strategic Options Report, sets out targets for the industry and the initiatives required to achieve them, including budget and organisational implications. It concludes with recommendations including policy changes.

4.2 Key Findings of the Diagnostic

4.2.1 Industry Structure

The accommodation sector dominates the Jamaican industry. It accounts for 60% of total revenues and 47% of employment in the tourism industry (see Figures 4.1 and 4.2). With the exception of shopping, other sectors of the industry are poorly developed in comparison with other countries of the Caribbean.

Developing sectors of the industry other than accommodation would improve visitor experience and increase the industry's contribution to GDP and employment. It is the case that sectors other than accommodation make a higher contribution to GDP and employment per dollar of visitor expenditure than accommodation (Figure 4.3).

Jamaica has the third largest stock of rooms in the Caribbean. Room stock in Jamaica is growing less rapidly than the Caribbean average and major rival destinations such as the Dominican Republic and Cuba. Accommodation is concentrated on the north and north-west coasts at Ocho Rios, Montego Bay and Negril. In 2000, the three resorts accounted for 84% of the room stock. With 65% of its room stock in hotels, Jamaica is somewhere between countries such as the Dominican Republic and Cuba which have all their room stock in hotels and a country such as Barbados which has less than 30% of its room stock in hotels. Over the past five years, non-hotel accommodation has been growing faster than hotel accommodation.

Figures 4.1 and 4.2

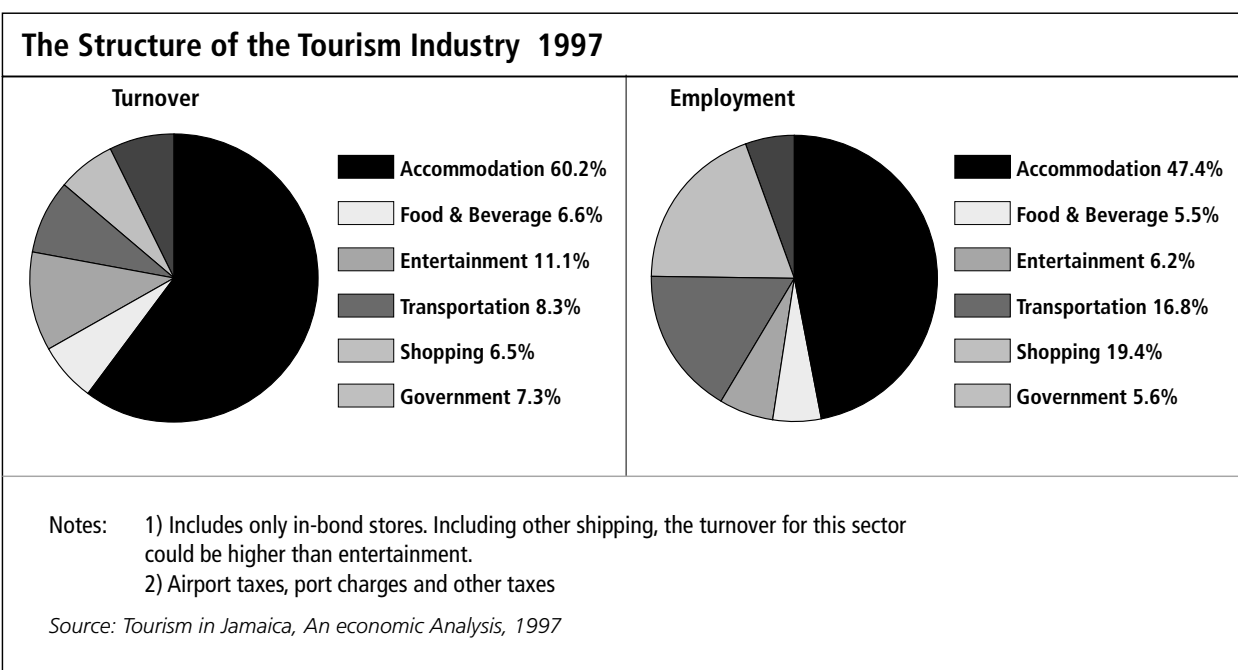


Figure 4.3

>> Direct Contribution to GDP and Employment – 1997						
Sector of Industry	Final Demand (1)		Contribution to GDP		Contribution to Employment	
	Total	Total %	Total (US\$ million)	Ratio (FD/GDP)	Total	Ratio Jobs/JA (US\$ million)
Accommodation	24,786.7	50.8	8,609.6	0.35	33,927	1.37
Food & Beverage	2,493.6	5.1	733.4	0.29	3,908	1.57
Entertainment	3,812.2	7.8	1,656.8	0.44	4,437	1.16
Transportation	3,217.5	6.6	1,554.8	0.48	11,449	3.56
Shopping (2)	7,402.4	15.2	2,675.4	0.36	13,890	1.88
Miscellaneous (3)	851.3	2.1	347.9	0.41	579	0.68
Government (4)	4,254.6	8.7	797.0	0.19	739	0.30
Investment	1,982.9	3.7	477.7	0.24	2,641	1.33
	48,801.3	100.4	16,825.7	0.35	71,568	1.47

Notes: (1) Revenues plus gratuities less taxation and demand generated for other industries. Figure 3.2. This is the measure of demand created by tourism in the economy.
(2) Includes in-bond and other tourism related stores. GDP contribution is from margins earned.
(3) Demand for beverages and telephone services. Only the margin earned is attributed to final demand.
(4) Includes direct and indirect taxes, the latter not contributing to GDP.

Source: *Tourism in Jamaica, An Economic Analysis, 1997*

Figure 4.4

>> Profile of the Accommodation Sector, 1997				
Types of Accommodation	Rooms		Revenues US\$(000)	
	Number	% of Total	Total	%
All-inclusive	5,498	24.0	13,322.0	55.4
Mixed-AI/EP	2,011	8.8	3,312.0	13.8
EP Rooms	7,585	33.1	3,370.2	14.0
Sub-Total	15,094	65.8	20,004.2	83.2
Guest Houses, Villas & Apartments	7,851	34.2	1,325.3	5.5
Other			2,709.3	11.3
Total	22,945	100.0	24,038.7	100.0
Note: Includes companies, which own hotels, mainly all-inclusives but also EP hotels. <i>Sources: JTB, Tourism Statistics, Tourism in Jamaica, an Economic Analysis – 1997</i>				

Guest houses, villas and apartments represent a huge under-utilised asset for the industry. This type of accommodation generates higher GDP and employment per dollar than hotels and consumes little foreign exchange.

Jamaica has the highest proportion of rooms in all-inclusive accommodation in the Caribbean. In economic terms, the all-inclusive hotels make a major contribution. They generate higher GDP, employment and foreign exchange per room than the EP hotels, though the EP hotels generate higher GDP, employment and foreign exchange per dollar of visitor expenditure. From an economic standpoint, the all-inclusive hotels are the driving force behind the success of the Jamaican industry and the main contributors to economic development.

It is the social exclusion that results from their capturing the majority of visitor expenditure that is a cause for concern. As a result of the all-inclusive hotels, the number of people with an ownership stake in the industry is reduced and the vast majority of Jamaicans relate to the industry only as unskilled employees. The development of other sub-sectors is constrained by the lack of spend by foreign visitors outside the hotel. In the interests of social integration of the industry into the life of Jamaica and hence sustainability, it is important to promote EP hotels and non-hotel accommodation and with them, the ancillary sectors which serve tourism.

The main structural weaknesses in the accommodation sector are a lack of large EP hotels. Tour operators looking for a large EP hotel have to approach the mixed all-inclusive/EP hotels as there are no large EP hotels outside Kingston. This is a major weakness as it makes it difficult to do business with the large tour operators that dominate the Canadian, UK, German and French markets as they wish to offer EP packages. Attracting investment in large EP or mixed hotels would help overcome this weakness. The country also lacks very large hotels (1,000 rooms or more). The absence of very large hotels limits the ability to cater for very large groups and hence precludes Jamaica from the market for large meetings and conventions.

Few of the international chains have invested in Jamaica which is why the Ritz Carlton and Riu developments are welcome. Many of the international chains operate large EP hotels and are able to fill them using their own market contacts. They bring customers with high disposable income and lend a favourable image to the destination. Attracting international chains willing to establish large EP hotels would bring major benefits for Jamaica.

4.2.2 Performance of the Accommodation Sector

During the 1990s, the growth of room stock has exceeded the rate of growth of visitors. The result is falling occupancies for all types of accommodation.

Measures of occupancy are available for hotels only. In 1992, average occupancy was over 60%. By 1996, it had fallen to 57.5%. Occupancy levels were recovering, reaching 58.5% in 2000. But the recovery is confined to large hotels. Smaller hotels continue to experience declining occupancy levels.

>> Occupancy Rates in Jamaica by Size of Hotel 1992, 1996 & 2000

Size of Hotel	1992 %	1996 %	2000 %
< 50 rooms	50.9	43.2	36.9
51 - 100 rooms	47.0	44.7	41.6
101 - 200 rooms	73.1	63.6	65.0
> 200 rooms	61.0	65.6	68.9
Total	60.1	57.5	58.5

Figure 4.5

Figure 4.5 shows that sharpest decline in occupancy rates was in small hotels under 50 rooms. Hotels under 100 room and medium to large hotels (101-200) rooms have also experienced a sharp fall in occupancy. The EP sector as a whole continues to suffer sharp reductions in occupancy and at 39.3%, occupancy levels in this part of the hotel industry are well below the required level for financial viability.

Traditionally, occupancy levels in the all-inclusive hotels have been much higher than EP hotels. In 1992, they enjoyed occupancy rates of over 80% as compared with an occupancy of 52% in EP hotels. But the very rapid growth in all-inclusive rooms has not been matched by a commensurate increase in room nights sold. The result is that occupancy declined to 67% in 1999 and 70% in 2000, a good level for an EP hotel but not for all-inclusives which rely on high occupancy to drive profitability.

Revenue per room actually fell over the 1992-1997 period. This is a cause for concern as costs have been rising. In fact, the all-inclusives suffered a sharper fall in revenue per room as a result of the sharp fall in occupancy. It is the fall in revenue per room that has eroded the profitability of the once very profitable all-inclusive sector.

Figure 4.6

>> Comparison of Revenues per Room 1992 & 1997

	Revenue per Room		Decline in Revenue	Occupancy			Revenues per Room per Night Sold		
	1992 (US\$ 000p.a.)	1997 (US\$ 000p.a.)	Per room (%)	1992 (%)	1997 (%)	Decline (%)	1992 US\$/Night	1997 US\$/Night	Increase/ Decrease
All-inclusives	79.0	68.5	(13.3)	80.3	67.9	(12.4)	270.2	282.1	(+4.4)
EP & Mixed	20.3	19.7	(3.1)	51.7	51.7	(9.3)	131.2	144.9	(+10.4)

Source: *An Economic Analysis, 1997*

The figures for EP/mixed hotels hide the alarmingly low revenue per room in the EP sector. In 1997, the mixed hotels averaged revenues of US\$46.5 thousand as against US\$11.5 thousand for the EP hotels. It is doubtful whether any hotel could remain profitable on an average room revenue as low as US\$11.5 thousand. It

appears that the EP hotels have had to discount room rates, and contend with lower occupancy. This suggests a major decline in competitiveness.

The Jamaican industry cannot compete in cost against its main rivals. The net rate of a 3-4 star room to a tour operator is US\$40 per room in the Dominican Republic as against US\$60 per night in Jamaica. The cost of labour, utilities and buildings are lower in the Dominican Republic and Cuba than Jamaica. Further, the Dominican Republic operates a policy of duty free imports, not only for capital goods but also for imports of operational inputs. Cuba used to operate a dual exchange rate policy that made it highly competitive. Recent events have resulted in an erosion of the cost competitiveness of these destinations, but Jamaica's cost disadvantage remains. However, Jamaican large hotels have proved that they can offer competitive rates to tour operators in the 3-4 star market and prosper through high occupancy levels and efficiency. Survival of small EP hotels depends on better marketing, consistent grading and providing a distinctive product.

The industry's cost of finance is high, particularly for small hotels. But refinancing alone will not solve the industry's problems (Figure 4.7).

Figure 4.7

>> Cost of Finance for the Hotel Industry 1997		
Type of Hotel	Cost of Finance (% of Revenue)	EBT (% of Revenue)
All-inclusives	2.9	7.3
All Other Hotels	13.4	5.2
EP Hotels > 75 Rooms	6.9	(2.0)
EP Hotels 25 - 75 Rooms	23.5	(3.3)
EP Hotels < 25 Rooms	16.8	(0.4)
Source: <i>Tourism in Jamaica, An Economic Analysis, 1997</i>		

Figure 4.8

>> Profitability of the Industry 1992 & 1997 (Earnings Before Tax % of Revenue)			
Type of Hotel	1992 (1)	1997 (Excl. Finance Charges)	1997
All Hotels	20.9	12.6	6.6
All inclusives	19.0	9.9	7.3
Non- All-inclusives	24.9	17.9	5.2
Mixed Hotels	n.a (2)	24.0	12.8
J\$20-50 million (EP Hotels over 75 rooms)	25.2	5.1	(2.0)
J\$5-20 million (EP Hotels 25 - 72)	23.4	14.2	(3.3)
<J\$5 million (EP Hotels < 25)	24.8	16.4	(0.4)
Notes: 1) Figures for 1992 do not include finance charges. 2) Categories used in 1992 are not the same as 1997 Sources: <i>Tourism in Jamaica, An Economic Analysis</i>			

In 1997, the 29 all-inclusive hotels continued to make reasonable levels of profit on sales, though not on capital employed. But it was the 173 EP hotels, most of them under 100 rooms each, which were the main cause for concern. In aggregate, these properties were making losses. Since then, profitability is reported to have declined further.

4.2.3 Other Sectors

Other sectors of the tourism industry also suffer from structural weaknesses and constraints to their growth. Profitability is low and many face serious financial difficulties. Sports and recreation facilities and the car hire sector were making losses even in 1997. In 1997, the most profitable ancillary sectors in the tourism industry were attractions and restaurants. The attractions sector's profitability was due entirely to the profitability of Dunns River Falls, the dominant attraction, with the others recording low or negative profits. Taxis and night clubs were making marginal profits (Figure 4.9).

Figure 4.9

>> Profitability of Ancillary Sectors, 1997					
Sector	Contribution to GDP (1)	Contribution to Employment (1)	No. of Firms 1997	EBT 1997 %	EBT 1992 %
Food & Beverage	8.9	10.4	263	7.5	
- Restaurants			146	8.6	13.3
- Night Clubs			117	0.8	
Entertainment	20.1	11.8	267	4.6	
- Tour Operators			88	3.8	14.5
- Sports & Recreation			77	(0.1)	
- Activities			102	13.9	47.9
Transportation	18.9	30.4	n.a.	(1.8)	
- Car Rental			245	(6.1)	36.1
- Taxis			n.a. (3)	1.9	3.1
- Other Transportation			n.a.	2.4	17.7
Shopping (2)	32.5	36.9	n.a.	4.3	5.3
- In Bond Stores			73	4.3	5.3
Notes: (1) Of non-accommodation sectors. Does not add to 100%. Figure 4.9 as the contribution of investment, miscellaneous spending and Government are not shown. (2) Financial returns are available only from the In-Bond stores. (3) Not known. There are a large number of taxi operators unregistered for GCT.					
Source: <i>Tourism in Jamaica, An Economic Analysis 1997</i>					

In general, the potential of the country outside the hotel has not been translated into attractive and competitive products. Jamaica's stature in the media and entertainment industry and its rich variety of food and traditional and modern cultural entertainment, built heritage and colourful history is not reflected in the product on offer in the three main resort towns of Negril, Montego Bay and Ocho Rios. Reviving investment and product development in attractions, entertainment, sports and recreation facilities is vital to improving the EP product and the attractiveness of resorts.

The ground transportation sub-sectors of the tourism industry, comprising tours, car rental and taxis, have been

experiencing low profitability and yet costs to visitor are high. Shopping is focused on in-bond stores with the selling of crafts and other merchandise in decline. Reviving these sectors calls for radical changes to the way the product is marketed, improving the competitiveness of the product and human resource development.

4.2.4 Support to the Industry

TPDCo has responsibility for developing the tourism product and provides support for the accommodation and ancillary sectors in the form of advice and training. However, TPDCo undertakes a range of other activities such as enhancing the appearance of towns and visitor attractions which have taken precedence and it serves also as the effective regulatory body of the industry which contradicts its role as a support mechanism for the industry. It is vital that TPDCo concentrate on its core function of product development offering technical assistance in designing and upgrading accommodation, tours, attractions, entertainment, sports and recreation facilities, ground transportation and shopping. To do this effectively, it must be freed of its regulatory function. It cannot be both regulator and supporter of the industry.

There are many players attempting to provide training and human resource development services but the industry lacks a comprehensive human resource development policy or common vocational training standards. Mechanisms are required to co-ordinate the resources and expertise of HEART/NTA, the universities and TPDCo with the active involvement and support also of the industry associations including JHTA, JAVA, AJAL, JUDA, JUTA and JCAL and so on.

UDC and JAMPRO have vital roles to play in addressing structural weaknesses such as the absence of large EP chain hotels, large hotels catering for meetings and conventions and to attract international leisure and entertainment chains. JAMPRO needs to work with, UDC, JTB and TPDCo to provide a package tailored to the needs of specific investors.

4.3 Growth Targets

4.3.1 Accommodation Sector

The driving force for the growth of the industry will be the increase in visitor numbers, visitor expenditure and bed nights sold projected in Chapter III above. The way this growth would impact occupancy levels and room numbers in the accommodation sector is shown in Figure 4.10.

Figure 4.10

>> Growth of Room Stock and Occupancy Rates 2000 – 2010						
Type of Accommodation	2000 (1)			2010		
	Rooms Available (1)	Rooms Sold (000)	Occupancy (%)	Rooms Available (1)	Rooms Sold (000)	Occupancy (%)
All-inclusives	8,175	2,088.7	70.0	11,500	3,178.0	75.7
EP Hotels	6,315	905.9	39.3	11,000	2,471.8	61.6
Villas (2)	3,732	238.5	17.5	4,150	861.2	59.0
Guesthouses	2,417	150.0	17.0	3,620	699.6	54.8
Apartments	1,381	118.5	23.5	3,110	621.8	56.8
Total	22,020	3,501.6	43.6	33,380	7,832.5	65.0

Notes for Figure 4.10:

1. Year 2000 figures are room stock figures from JTB less 10%. Rooms available in the hotel industry are usually 10%-15% lower than total room stock because of refurbishment and or businesses being sold.
2. Rooms available in the villas, guest houses are assumed to be the same as reported room stock as many properties are not registered. Occupancy levels for villas, guesthouses and apartments are derived from JTB data on place of stay in 1999. JAVA reports higher occupancy for its members.

The targets are for room stock to increase by 11,360 and hence it can be assumed that room availability will also increase by this number. Of the additional rooms, it is planned that just over half are rooms in EP or mixed hotels, mainly in large hotels to address the current weakness in industry structure. Room stock in the EP sector should nearly double, increasing to 12,100 (11,000 available rooms) by 2010. It is planned that the industry by then will include at least one very large hotel (over 1,000 rooms) to cater for the groups and conventions market. Such hotels are likely to offer both EP and all-inclusive plans, but for the purposes of distinguishing this type of hotel from the all-inclusive resorts that exist at present, they have been classified as EP.

All-inclusive hotel rooms are projected to grow by 4,475 (39%), a lower rate than EP hotels because of the focus on the Canadian and European markets and the product support to be given to EP hotels. The all-inclusive product is likely still to account for over half the total hotel rooms in Jamaica but the trend whereby it is becoming the only successful product is planned to be reversed.

The other major contributor to the growth of accommodation would be guest houses and apartments. The marketing initiatives aimed at the VFR market and to support this product should result in a strong increase in bed nights sold in this market and lead to the growth of this type of accommodation. The lowest rate of growth is expected in resort villas, essentially because of the high numbers of existing rooms and the low levels of occupancy they are estimated to achieve currently.

The occupancy levels currently achieved by the industry are unsustainable. At current levels of occupancy, even the all-inclusive hotels will struggle to survive, particularly if room rates continue to come under pressure. The targets are to return the industry to levels of occupancy that will allow hotels to operate profitably with villas, guest houses and apartments experiencing major gains in occupancy and EP hotels exceeding the 60% occupancy level that is the benchmark for a viable industry. The all-inclusive hotels should be able to operate profitably at 75% occupancy, even if room rates fall by the anticipated 10%.

Of course, these targets for occupancy are likely to be achieved only if the growth of room stock is kept to the average 4% p.a. projected above. If the industry continues to increase room stock faster than bed and room nights sold, then the outcome will be continued low occupancy and the industry will struggle to achieve viability. The industry associations and the development finance institutions (DFIs) have a crucial role to play to ensure that growth of room numbers remains in proportion to the growth of bed and room nights sold. Although the investment decision remains a matter for individual entrepreneurs, publicising the rates of occupancy and their effect on viability can help to dissuade some of those attracted to the industry by false expectations.

Further, the DFIs should advise entrepreneurs of the state of the industry. They should hopefully finance only those quality projects that can differentiate themselves from the rest, investments that fill a gap in the market such as large EP hotels or those intended to cater for specialist segments of the market such as groups and conventions.

4.3.2 Other Sectors

The growth of other sectors of the industry would be driven by the growth of visitor expenditure outside the accommodation sector. This is expected to grow nearly two and a half times over the Master Plan period from an estimated US\$495 million in 2000 to US\$1,220 million in 2010. This represents annual average growth of 9.4% p.a.

The targets for the growth of the tourism industry are shown on Figure 4.11.

Figure 4.11

>> Projected Growth of the Tourism Industry 2000 – 2010 by Sub-Sector					
Sector	Turnover 2000(1) (US\$ million)	Industry Share 2000	C.ag.r 2000-2010	Turnover 2010 (US\$ million)	Industry Share 2010
Hotels	666.5	50.0	5.5	1135.0	38.7
Other Accom.	85.3	6.4	14.0	315.0	10.7
Food & Bev.	81.3	6.1	12.0	250.0	8.5
Entertainment	138.6	10.5	10.5	375.0	12.8
Transportation	84.0	6.3	10.1	220.0	7.5
Shopping	164.0	12.3	7.9	350.0	12.0
Miscellaneous (2)	112.0	8.4	10.0	290.0	9.9
Total	1333.0	100.0	8.2	2935.0	100.0

Notes: 1) Includes stop-over and cruise expenditure. Based on 2,000 visitor expenditure and 1999 patterns of expenditure as reported by JTB.
2) Includes government and other expenditures. These figures have been rounded.

Over the course of the Master Plan, the major shifts in the tourism industry are likely to be:

1. A decline in the dominance of the accommodation sector as a result of the higher rate of growth of expenditures outside the sector. However, within the accommodation sector, the non-hotel sub-sector is projected to grow rapidly as a result to product support provided to villas, guest houses and apartments;
2. The growth of EP hotels, non-hotel accommodation and initiatives to induce VFR visitors to spend a greater proportion of their stay visiting attractions should cause the rapid growth of the food and beverage sector;
3. Entertainment, including tours, attractions and sports, is also expected to grow rapidly and pull through with it ground transportation;
4. Shopping is likely to experience relatively slower growth as visitors spend more of their time visiting attractions. In fact, the proportion of stop-over visitor expenditure and cruise visitor expenditure this sector captures should fall from current high levels. However, within the sector, crafts and shopping other than the in-bond merchants should increase their share.

Employment in the industry is determined by the room stock. In 2000, the 23,640 rooms provided direct employment to 31,080 persons, a ratio of 1.3 persons per room. By the year 2010, the room stock is projected to increase to 35,000 and provide some 45,000 jobs, the ratio of employees per room falling because of the increase in the proportion of rooms in EP hotels and non-hotel accommodation.

The growth of employment should be greatest outside the accommodation sector. The rapid growth of sectors such as entertainment, transportation, and food and beverages as well as shopping should fuel a major increase in employment. Some 85,000 people should be employed in the industry outside the accommodation sector bringing the total employment in the industry up to 130,000.

In 1997, total employment was estimated to be 72,000. Currently, employment in the industry is not likely to be much higher, in the region of 75,000 as room stock has hardly grown at all and few new establishments have opened outside the accommodation sector. On that assumption, the rate of growth projected for employment is 5.7% p.a. This is higher than the projected growth of the workforce and so tourism is likely to increase its share of national employment.

4.4 Improving Competitiveness of the Accommodation Sector

The achievement of these growth targets will require initiatives to cover gaps in the Jamaican product and to improve the competitiveness of existing products. These product development initiatives will need to work with and complement the JTB's marketing initiatives described in Chapter III.

4.4.1 Covering Product Gaps through FDI

Gaps and weaknesses in the current product offer will need to be addressed through a combination of foreign direct investment (FDI) and local investment. Whilst the Jamaican industry has, up to now, developed mainly through local investment and expertise, the product gaps that have emerged are the result of a lack of market access or specialist expertise on the part of the Jamaican industry and so are best covered through FDI.

The types of product in which FDI can make an important and worthwhile contribution to cover gaps in the product offer are:

- (i) mobilising FDI to construct large EP or mixed hotels in Jamaica. These hotels should ideally be owned, or at least operated by international chains, able to generate their own clientele with little help from JTB;
- (ii) attracting international hoteliers willing to construct very large hotels for meetings and conventions;
- (iii) attracting international food and entertainment chains and leisure and sports complex operators capable of providing the up-market product tourists and affluent Jamaicans require.

The focus on international chains is deliberate and unavoidable. International participation ensures not only investment but at the same time helps with visitor generation. It brings proven expertise and a product that visitors can identify with. The Jamaican industry, suffering sharp declines in profitability, is much less likely to be able to be willing or able to undertake major new investments in the near future, particularly as it is likely to be involved in acquiring hotels through the Finance Adjustment Company (FINSAC) process.

The target groups for mobilising FDI are as follows:

- **EP hotels.** Owners and/or operators of three to four star hotels with a presence in the upper-end of the mass market in the Caribbean. Hoteliers with a successful track record in Cuba and the Dominican Republic and strong franchises in Europe would be prime targets. Operators of cheaper hotels are likely to find Jamaica's higher cost base than these destinations a serious disadvantage;

- **Meetings and conventions.** US operators of meetings and convention hotels in the mid to upper end of the market;
- **International food, entertainment, sports and leisure complex chains.** The chains targeting the mid to luxury end of the markets in Florida, Cancun, Puerto Rico and Bermuda. Most of these are likely to be US chains.

European hoteliers from Spain, Italy, France, Germany and the UK, who have succeeded in Cuba and the Dominican Republic may well be seeking new locations for expansion. Riu is a good example of such a chain. These are the international flag hotels who are able to provide an EP product Europeans like at an affordable price. They can open-up much higher proportion of the European mass-market to the Caribbean for Jamaica. Alongside the successful Jamaican all-inclusive product, they could significantly add to visitor growth.

The meetings and conventions market is a distinct niche segment with its own product requirements. Proximity to an airport, excellent beaches and/or natural scenery, ability to hold large conferences with rooms to match on site and ability to entertain and cater for large groups are becoming pre-conditions for success in this market. Hotels of 2,000 rooms or more are now standard.

Though the country does have a single large hotel with 800 rooms and conference facilities, the Jamaica Grand is not ideally located at Ocho Rios, 2 hours from an airport and for some conventions the hotel is not large enough. Kingston has a conference centre but the location is wrong as Kingston is not a resort town and this is a stand alone facility some distance from the major downtown hotels. The ideal site for a hotel to cater for the meetings and convention market is Montego Bay, but the town lacks a conference centre or convention hotel.

The possibility of developing a conference centre at Montego Bay is being discussed at present with a plan being put forward to build a stand alone facility on the Rosehall strip. The facility would be served by the hotels in Montego Bay, including the Ritz Carlton. Many of these hotels, including the Ritz Carlton, have some conference facilities but not enough rooms or conference space to cater for a large convention.

The main shortcomings of this plan are that even if an investor were found to build the facility, an operator would need to be found capable of generating sufficient business for the facility. It is not clear whether the hotels stand to gain from the use of their rooms, or the operator of the centre would be responsible for marketing the facility, or both. Be that as it may, none of the Jamaican chains and independent hoteliers have the marketing network in this segment to operate the facility successfully.

The best solution is to attract an investor with a track record of success in this field. The investor would be responsible for the marketing and operation of an integrated convention and hotel facility capable of providing leisure and entertainment along with excellent conference facilities. There are two locations possible in Montego Bay, one is the Rosehall Strip, the other the Freeport.

The food and entertainment chains would add to visitor satisfaction both of US and European visitors. They may develop either theme parks of which Jamaica has none, sports complexes of which Jamaica is short, branded food chains of an up-market nature and/or entertainment venues for music, dancing and cabaret. The US chains are also household names in Europe.

However, attracting these international chains to operate EP hotels, large meeting and convention hotels and/or provide food, entertainment, sports and leisure complexes is increasingly difficult as:

- (i) competition for investment by these chains is now worldwide;

- (ii) some of the large hotel chains prefer not to invest in property. Destinations such as Cuba provide hotels built to their specification;
- (iii) the poor state of the Jamaican resorts may cause many to question the attractiveness of Jamaica.

Success will depend on a concerted effort being mounted by the various government agencies, with the support of the Jamaican tourism industry, as follows:

- JAMPRO:** Investor targeting, profiling of investment criteria, putting together propositions to meet criteria, investor approach and negotiation, partnering with Jamaican investors, investor facilitation services including approvals and licenses and incentives.
- JTB:** Marketing support to investors to develop markets.
- JAMVAC:** Opening gateways to and from target markets.
- UDC:** Providing sites and property development services and/or serving as a joint venture partner.
- DFIs:** NIBJ and others to take the role of lead finance institution and help raise finance from other institutions. This may involve ownership of the property resting with the financial institution.
- TPDCo:** Training and product development services, including language training.
- MOTS:** Prioritise target investors, assist JAMPRO with approvals and incentives and co-ordinate all agencies.

It is the ability to put to potential investors a well thought-out package that would ensure success in mobilising FDI. It is demonstrating that all the conditions for success, starting from lift capacity to training staff, are in place that is likely to make Jamaica stand out as a destination to invest in. The proposition put to target investors will need to be tailored to their individual needs. But, the package would need to be comprehensive, taking account of all or most of the above factors. The key to success is understanding the target's investment criteria and putting together a persuasive proposition. This will call for detailed research by JAMPRO.

It is proposed, therefore that MOTS take the lead in establishing an inter-agency task force to mobilise FDI in the tourism industry. The inter-agency task force would help prepare packages for investors targeted by JAMPRO and then support JAMPRO in mobilising investors. All the agencies listed above should be invited to form part of the task force. As the investor package may require the provision of loan guarantees, it may be prudent also to involve the Ministry of Finance.

The first objectives of the investor mobilisation programme, to be delivered over a five year period should be to: generate potential interest in 15 international hotel chains interested in investing in EP hotels, target 3-5 chain-operating hotels in the meetings and conventions market in the US and develop interest amongst 10 food, entertainment, sports and leisure chains. Over the longer-term (10 years) it should be possible to add 3,000-4,000 rooms under new international hotel chains and ensure that 5-6 international food, entertainment, leisure and sports complex chains are present in the country. The addition of 3,000 rooms should result in the creation of between 5,000-6,000 jobs in the accommodation sector. In turn, this should create an equal number of jobs outside the accommodation sector, resulting in 10,000-15,000 additional jobs in the tourism industry.

The initiative itself will not be expensive requiring the agencies to co-operate and limited market expenses on the part of JAMPRO and JTB. But it will require resources. UDC will have to provide its own sites and development expertise, be it as an investor, NIBJ finance, JTB marketing support, and TPDCo product development support. The loan finance required may be as high as US\$225 million for 3,000 rooms. NIBJ may well look to GoJ for assistance in raising such a large sum. Alternatively, GoJ may need to provide loan guarantees so that

investors can raise these sums internationally. However, much of the costs involved will be recouped commercially. One of the merits of this strategy is its commercial soundness. However, its success depends on the attitudes and willingness of foreign investors. FDI is known to be difficult to mobilise, and potential foreign investors, with no exposure to a destination, can be extremely fickle.

4.4.2 Restructuring the Small Hotel Sector

Large parts of the small hotel sector are not competitive. The presence of large numbers of poorly performing businesses curtails investment in the accommodation sector and the positioning of the tourism industry in international markets remains weak, as a significant proportion of the Jamaican industry is viewed as offering poor value for money. The small hotels sector accounts for over a third of the room stock and its fate is therefore of concern to the whole of the industry. Also, ancillary industries will not develop as rapidly as they would with a flourishing small hotel sector.

The small hotel sector is oversupplied, with the result that very few operators manage to achieve satisfactory occupancy levels. Price cutting is common place, driving returns down further. In a significant proportion of the sector, the product on offer is a smaller and poorer version of a large hotel and fails to distinguish itself in any positive way. Lack of investment over the years have left some of the hotels in such poor shape that knocking down the hotel and starting again may be the only course open for developing a competitive product. It is clear that many hotels in this sector have no future and must be helped to exit the industry.

In other cases, there are new hotels and developments coming on stream which do enhance the Jamaican product offering. The good examples may be few, but through the creative and clever use of architecture and design, are able to offer a distinctive and appealing product that commands respect internationally. Other successful small operators are able to distinguish themselves on the basis of features such as highly personalised service or low cost, so that they offer good value for money.

The above makes clear that support to the small hotel sector cannot just consist of help with marketing or finance, valuable as that help may be. What is required is a systematic process of restructuring that enables the non-viable to exit the industry and those with the basic competitiveness in place to make better use of their competitive advantages. The end result should include a better balance between demand and supply capacity.

Restructuring the small EP hotel sector should follow best practice in providing assistance to small businesses and restructuring assistance to industries. The stages of providing such assistance are:

- ▶ Screening to assess potential viability. Only those able to regain viability should be assisted;
- ▶ Technical assistance to either exit the industry (if unviable) or reposition and restructure the business;
- ▶ Access to finance at competitive rates to undertake restructuring.

Screening for viability, also known as triage, would be the starting point of developing assistance programmes to restructure the small hotel sector. There are various options on how to conduct such screening. The US firm, Landbase, has made a proposal to undertake audits/diagnostics at US\$5,000 each, with subsequent charges for specific assistance and help with raising finance determined on a case-by-case basis.

An audit should be a precondition for any hotel owner or operator applying for technical or financial assistance. However, if all audits are undertaken by one firm, the result will be that the judgement of viability will reflect the view of just that firm. It is preferable to arrange a panel of approved auditors at agreed rates. It is also preferable that auditors are able to bring the perspective of international benchmarks and standards of best practice on the sector. It should be possible to undertake each audit at a cost of US\$5,000 each. The panel of auditors should be agreed with JHTA. GoJ should provide half the cost of the screening (on the

matching grant principle), in line with practice worldwide.

For businesses that the audit identifies as having no long term future, the priority for subsequent technical assistance must be to help the owners develop exit strategies involving the hotel being converted for alternative use and assistance to help the owner find ways of exiting with minimum liabilities. Thus technical assistance should comprise feasibility studies for conversion and/or assistance from experienced insolvency practitioners.

Apart from identifying the unviable, the other main function of screening would be to specify the precise areas of assistance required to reposition the business and restore it to viability. Having arrived at a professional assessment of the prospects and needs of each applicant, there should be a package of technical assistance available covering:

- ▶ marketing & sales support, including identifying and mobilising sales channels;
- ▶ advice on repositioning, including architectural advice;
- ▶ systems development (IT including the internet);
- ▶ organisational change;
- ▶ training of management and workers (company specific);
- ▶ business planning;
- ▶ cost control and overhead reduction;
- ▶ financial restructuring and loan applications.

The JHTA has looked at how this technical assistance can be provided and approached a number of donor agencies. It has piloted a training programme. These efforts need to be widened and consolidated. GoJ's aim should be to provide, on a matching grant basis, up to 30 days of technical assistance, drawn from a panel of approved suppliers, across the range of disciplines required.

A major requirement for small hotels is support with marketing and sales. They often do not know the market sufficiently to position themselves appropriately and they do not know which sales channels may be able to sell their product to the target consumer. Almost by definition, they lack the resources to undertake sales programmes to intermediaries let alone direct to consumers. As noted in Chapter III above, the use of JTB's database of tour operators, travel agents and consumers that have expressed interest in Jamaica and the utilisation of JRS's telemarketing and tele-sales capability, potentially represent valuable assets for small businesses. The rates that JRS would charge for the assistance will need to be determined but they should be highly competitive. JRS should be included in the list of approved suppliers and asked to compete against others also able to offer marketing and sales support.

The whole scheme of audits and technical assistance should be open to both small hotels and villas, guest houses and apartments. It should be run by TPDCo. However, all requests for technical assistance in marketing should be referred to the JTB who should be responsible for agreeing the specification of the assistance to be provided and work with the recipient to select the appropriate source of supply.

The final part of the Landbase proposal, assistance with raising finance, is also valid. Businesses will need finance to help them reposition and develop their product. However, only a handful of businesses are likely to be strong enough to support significant levels of financing using commercial lending criteria. There would, therefore, be a strong need to make available, through NIBJ or other DFIs, a credit facility to support restructuring of the industry. Money would be exclusively reserved to support viable implementation plans which demonstrate how the finance is going to be used to help the business in its repositioning – refinancing is not

the objective, repositioning is. Details of the cost of such assistance and the size of the credit line are presented under costs of product support below.





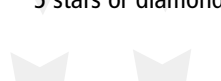
Feedback from the market suggests that the travel trade finds it difficult to sell small hotels, partly because of the wide variety of product and prices on offer. A grading system needs to be introduced on a voluntary basis. The grading system must not be confused, however, with the licensing system. The former deals with standards, the latter with minimum requirements to operate.

In a recent working paper, produced as part of the OAS Caribbean Small Hotels Assistance Project, entitled 'Caribbean Small Hotels & Brands', the ARA Group published the findings of a survey it carried out on the need for brands and standards for the small hotel sector (less than 75 rooms). It concluded:

***The Need for Standards:** Properties in all categories which aspire to serious participation in the tourism/hospitality industry must be re-aligned in order to present a more easily recognisable range of market driven products (strong marketing themes or 'brands') matched to principal target markets. For this to be accomplished, a pragmatic set of property classifications, supported by eligibility criteria under a 'star' or other ranking system must be implemented.*

The paper suggests that either the Canadian and US AAA star rating needs to be put in place to enable the market to know what it is buying. But, the use of the grading system should be voluntary. Some countries have made grading compulsory but this is an imposition on business. Grading is a marketing tool. If businesses do not want to embrace it, they should be free not to. The outline of the Canadian Select and AAA rating system is reproduced from the paper below.

>> Exhibit 4.1: Ratings System Comparison

Rating	Canada Select	AAA
 1 star or diamond	Clean, comfortable accommodation	Properties meet all Listings Requirements, they are clean, safe and well-maintained
 2 stars or diamonds	Clean, comfortable accommodations with some amenities	Properties maintain the attributes offered at the one diamond level while showing noticeable enhancements in room decor and quality of furnishings
 3 stars or diamonds	Very comfortable accommodations with a greater range of facilities, guest amenities and service	Properties show a marked upgrade in physical attributes, services and comfort. Additional amenities, services and facilities may be offered
 4 stars or diamonds	The highest standard of accommodations with an extensive range of facilities, guest amenities and services	Properties reflect an exceptional degree of hospitality, service and attention to detail, while offering upscale facilities and a variety of amenities
 5 stars or diamonds	Exceptional properties which are among the very best in the country in terms of their outstanding facilities, guest services and quality provided	Property facilities and operations exemplify an impeccable standard of excellence while exceeding guest expectations in hospitality and service. These renowned properties are both striking and luxurious, offering many amenities

Sources: Canada Select, Tourism British Columbia, 1998 – uses the star system AAA, Lodging Listing Requirements, February, 1998 – uses the diamond system

The grading system should be operated as a service by the TPDCo's standards department. The department should offer the service to all small hotels on a cost recovery basis. Securing the agreement of the JHTA and JAVA (for villas and apartments) is essential. The incentive offered would be more effective marketing in the JTB Insiders and other programmes and a marketing tool in their direct marketing and selling.

The paper also revisits the issue of branding for small hotels. It concludes that the adoption of common brands across the Caribbean would assist the small hotels sell themselves. The issue of common branding has merits if it is to be used for promotional purposes such as the Insiders Programme. However, programmes to use common brands that go further and attempt to make groups of small hotels collaborate more closely to offer a common standard of product should be approached with caution.

These approaches to branding, an example of which is the Gems of Barbados, are premeditated on the belief that it is size that makes the small hotel unsuitable to large tour operators and hence common product standards and common branding will help small hotels get over this difficulty. Gems of Barbados appears to have started successfully with the participating hotels able to raise finance for refurbishment because they were able to show how they intend to market themselves and able to get business from tour operators.

Caution is advised, however, because the circumstances in which such collective efforts succeed are rare. They require a group of hoteliers with similar market positioning objectives and willing to make their product fit common standards. The bulk of small hotels are run by individuals who believe that they have something out of the common to offer and are highly individualistic. Besides, there is a perfectly good market segment in Europe and the US (though a smaller proportion of the total market) that wants to stay in individual and highly distinctive small hotels and does not want hotels with common standards. It is sizeable enough to attract the large tour operators to feature small hotels in separate brochures.

The principle should be that if a group of small hotels wish to adopt common branding and product standards, the TPDCo would assist them to do so. But there should be no pro-active attempt to develop common brands with common products. If any tourism agency should promote such a development, it would become responsible for the success of the businesses in question, a situation to be avoided on principle. Government should not become responsible for the success or failure of businesses.

4.4.3 Villas, Apartments and Guest Houses

With 33% of the country's room stock, this sub-sector generates less than 10% of the revenues of the accommodation sector. The level of under performance this represents can be put in perspective by comparison with Barbados where villas and apartments and guest houses make up the majority of the room stock and which is increasingly reliant on this sub-sector for generating its over half a million visitors. Jamaica has 120% more rooms in this sub-sector than Barbados but they contribute a small proportion of visitor numbers and a negligible proportion of visitor expenditure.

Further, visitor satisfaction is highest in this market segment and the market for such accommodation is growing rapidly in Europe and Canada. The failure to exploit the opportunity presented by the sub-sector and measures to address them are as follows:

- (i) A failure to promote this segment of the market. Until the recent production of a brochure featuring villas and apartments, little had been done to promote the sub-sector. As set out in Chapter III a new initiative is required to promote this sector focusing on Europe and Canada and particular segments of the US market;
- (ii) These small businesses are in urgent need of the sales support that JRS or other specialists could offer in pro-actively developing a customer base, using the same approach as described above for small hotels. They lack the market knowledge and sales capability to market themselves effectively;

(iii) Consideration should be given also to launching a book-a-bed ahead scheme to cater for visitors touring the Island, through the JTB offices, combining hotels, villas and apartments and guest houses wishing to participate. Scotland's book-a-bed ahead scheme allows any visitor to book accommodation through the tourist board's offices anywhere in the country. With the internet now widely used in the industry, such a scheme should be developed through a combination of JTB and JRS;

(iv) As is the case with small EP hotels, the product on offer is subject to wide variation which makes it difficult for the travel trade to sell the product. A voluntary grading scheme should be introduced along the lines of that described for small hotels;

(v) Though visitor satisfaction levels are higher than for hotels, there is a proportion of the accommodation which does not offer the visitor experience that distinguishes this type of accommodation from hotels. Access to advice on market positioning and product development should be made available on the same terms as for small hotels;

(vi) Though the level of incentives is not a major constraint, on grounds of equitable treatment, this part of the accommodation sector should be subject to exactly the same incentive regime as that recommended for the hotel industry. The Resort Cottages Act may need to be amended;

(vii) Changes in the development approval and licensing regime outlined below for hotels should apply equally to this sub-sector.

From the list of recommendations above, the area of potential controversy that needs to be addressed further concerns providing the same level of incentives to this sub-sector as hotels. It may be argued that by implementing this measure, the Government would be opening up the flood gates to investment in accommodation which may not be used by foreign visitors or indeed by tourists at all. The system may be abused so that house construction becomes justifiable through the use of the incentives.

It should be noted, however, that the incentive must apply to JTB licensed accommodation only. To be licensed, one of the criteria must be to be seen to offer accommodation for visitors and to be demonstrably trading as a business. It is also intended to change the basis of receiving incentives so that they become transparent and available to all on the one hand, but that the burden of proof of eligibility switches from prior approval to claiming back expenses incurred.

At present, occupancy levels are not recorded accurately for this sub-sector. It would be useful if JAVA would work with JTB to record them in future.

4.5 Attractions

The failure to take advantage fully of Jamaica's excellent natural, cultural and heritage assets to distinguish the product from the majority of its competitors is reflected in the poor performance of the attractions sub-sector. In turn, this limits expenditure outside the accommodation sector.

The sector has experienced growth in recent years with growing demand for tours fuelled by even all-inclusive residents wishing to see more of the country. Niche markets for adventure and nature tourism, culture and heritage tourism are growing rapidly. However, at present, turnover and profitability in this sector is dominated by a single attraction, Dunn's River Falls. With the exception of a few others, most operate well below their capacity and are recording losses. The measures recommended to improve performance and competitiveness of existing attractions are:

(i) Assistance to improve their marketing and sales by advising on marketing strategy, including effective ways to package their product with accommodation and how to undertake cost effective promotion in

source and domestic markets, developing sales channels amongst local tour operators, in hotels and other accommodation, amongst cruise ship agents and by improving promotional literature;

(ii) Provide access to expertise in product design and development to improve the visitor experience;

(iii) Establish a matching grant facility to help small attractions to access specialist expertise for i) and ii) above;

(iv) Establish a special credit line for funding development to overcome the problem of access to finance. The finance would be subject to an audit similar to that for small hotels;

(v) Provide the same incentives to attractions as to the accommodation sector, as set out under Enabling Environment below;

(vi) Remove unnecessary requirements for licensing and take account of special needs of nature based attractions to use materials which blend with the attraction whilst not compromising health and safety.

Heritage attractions, covering nature, culture, history and the built environment are dealt with separately under Chapter V, and support for man-made attractions is discussed under entertainment below. The above applies to existing attractions only.

4.6 Entertainment and Sports

Included in this category are the visual and performing arts, night clubs, man-made attractions (excluding cultural and heritage) and leisure complexes, sports and recreation facilities, cultural and artistic venues, events and tour operators.

Apart from its unique cultural heritage (dealt with in the following chapter), Jamaica has an internationally competitive contemporary entertainment industry. In addition to Reggae and other recorded music, the country has a vibrant film and television industry, theatre and dance. Music and film are the main exports. Yet the entertainment on offer in the resorts, having been a major feature of the appeal of Jamaica, is now poor. It is not just tourists but also the numbers of Jamaicans that frequent night clubs, bars and other venues that has fallen. The commonly held belief in Jamaica is that, in the tourist resorts, the growth of all-inclusives has caused the decline of entertainment. This is a simplistic view. No doubt all-inclusives have had an effect, but the fact is that the number of bed-nights sold in the EP sector today is higher than in the early 1980s when the resorts boasted world class entertainment.

The causes of the decline of entertainment in the resorts are complex and certainly worthy of further study. They include many factors that have affected the life-style of Jamaicans and the frequency with which they attend live entertainment. But a lack of venues, entrepreneurial enthusiasm for running entertainment venues and events, problems of raising finance, the general run down nature and lack of security in the resorts, all feature strongly. There has also been a lack of communication and co-operation between the tourism and entertainment sectors. The result has been that the potentially hugely important asset to tourism that the Jamaican entertainment industry represents is, in reality, a weakness in the tourism product.

The bringing together of the tourism and entertainment portfolios in the MOTS represents a major opportunity to utilise for the country the synergy that exists between these two industries in which Jamaica has demonstrated substantial international competitiveness. The MOTS has recognised this potential and already announced a major new policy that would help develop the entertainment industry and improve the synergy between tourism and entertainment. The major initiatives contained in the policy are:

- A three tiered institutional structure comprising an inter-ministerial task force headed by the Minister of Tourism & Sport, an Entertainment Board that would bring together the various public agencies involved

in developing and promoting the entertainment industry with key players from the various sectors of the entertainment industry and a division within the MOTS devoted to entertainment, headed by a director;

- ▶ In the first year, to focus on public education to highlight the importance of preserving culture and a music education programme, integration with other industries including tourism, institutional strengthening and helping to forge strategic alliances between players in the industry;
- ▶ In year two, it is hoped to address issues such as marketing and the funding of infrastructure and projects;
- ▶ In years 3-5, the aim is to upgrade venues and training facilities and enhance infrastructure for the industry.

The policy represents an important step forward. It forms part of the Ministry's aim of moving tourism beyond sun, sand and sea towards 'Edification, Enlightenment and Entertainment'. No doubt further details of the policy will be elaborated over time and the Master Plan should attempt to capture and enable these policies.

Events such as Reggae Sumfest have done much to attract and entertain visitors. The occasional attraction of well known celebrities has proved popular with tourists, foreign and domestic, and with the local population. As set out in Chapter III above, JTB expenditure on events should be increased, particularly events outside the main resort centres in resort zones such as the South Coast and Port Antonio which are in need of catalysts to attract visitors. Wherever possible, such events should involve local communities and bring out their culture. JCDC should be involved in cultural events.

It is important, however, that JTB expenditure is used as a catalyst to establish sustainable events, so equal importance will need to be given to commercial feasibility. Events should be able to demonstrate viability after a short period of grant assistance.

There is a striking shortage of man-made attractions and leisure complexes. Attempts to create theme parks have failed, even when the theme was derived from Jamaica's rich history and culture. However, the major resorts of Montego Bay and Ocho Rios have sufficient numbers of stop-over, cruise and domestic visitors to make a moderately sized theme park or leisure complex feasible.

To enhance the visitor experience and perhaps even serve as draws in their own right, it is proposed:

- (i) To target international investors in the leisure industry with a track record in operating medium sized theme parks and leisure complexes, as described above;
- (ii) Investors in such leisure complexes in the areas prescribed under the JTB Act should be offered the same range of incentives as the hotel industry;
- (iii) Assistance with mobilising finance should be provided by national DFIs with the possibility of providing government guarantees for international providers of loan finance.

Sports and recreation facilities are currently focused on water sports, particularly boat hire and jet skis with limited development also of diving. Apart from water sports, only golf is well catered for. The resort towns would benefit from additional sports and recreation facilities. The development of marinas could play an important role in increasing the market for sailing and yachting with the proposed marina at Port Antonio an obvious priority (see Chapter VI). It is proposed:

- (i) To provide the same level of investment incentives to the development of sports and recreation facilities, with the exception of jet skis which are suffering oversupply, in the prescribed areas as hotels;
- (ii) To mandate JAMPRO to attract international operators of marinas and yacht charters to participate in

the development and operation of marinas, supported by the feasibility study of the proposed marina at Port Antonio;

(iii) Customs and immigration should be asked to develop a plan for providing a single port of entry clearance for international yachts cruising around the island and to resolve the thorny issue of the carrying of firearms;

(iv) Golf courses and clubs should be assisted with the development of marketing plans and the mobilisation of sales channels and where appropriate, with providing combined flight, accommodation, food and green fee packages.

Whilst the above represents principally a tourism led agenda for sports, there is a need for tourism to serve also as an instrument of the country's sports policy. The bringing together of the sports and tourism portfolios in the MOTS should serve to facilitate this. The MOTS has established a new sports directorate which will no doubt prepare a full fledged sports policy and strategy. In the interim, there are a number of initiatives that sports and tourism can take forward jointly:

1. It is planned to increase the spend on events. Co-operation between the JTB and the sports directorate could ensure that the country promotes quality sports events that are able both to raise the sporting profile and the country's image as a destination. There is much to build on in this regard;
2. There are for each sport, small specialist markets for visitors that combine the sports event with a holiday. JTB could work with the MOTS to identify and promote these markets in conjunction with the event;
3. The country has a number of sports facilities that could be promoted to attract small groups of sports enthusiasts for training and competition purposes. The Independence Park Sports Complex is an example of such a facility. Winter sun could help to attract enthusiasts of outdoor sports such as athletics, cricket and tennis. The country's reputation should also make it possible to attract soccer enthusiasts.

Thus, overall there should be five initiatives undertaken: for tourism, focus on the markets for golf and yachting and for both sports and tourism, improve sporting facilities, market sports events, target specialist sports fans and promote the use of existing sports facilities. This five point plan should serve as an interim measure until the sports directorate of MOTS prepares a full fledged sports policy and strategy.

The lack of cultural and artistic venues is well recognised. Town plans for the resorts include an amphitheatre for Negril and the upgrading of the Catherine Hall Entertainment Complex in Montego Bay. Ocho Rios would also benefit from such a facility and one is therefore also proposed for that town. The development of such complexes should be undertaken under the direction of Resort Partnerships described in Chapter VI with JAMPRO fulfilling an investor mobilisation and facilitation role to attract private finance alongside public resources. Incentives equivalent to those for hotels should be available for these projects in the prescribed areas.

Demand for tours has been growing rapidly. This has prompted the entry of the all-inclusives as well as increased activity from transport operators. As a result profitability has declined. Further market growth is required to restore profitability. In the main, these are sizeable companies who are capable of their own marketing and with good contacts with overseas tour operators, cruise lines and the accommodation sector. The growth of quality attractions, creation of scenic routes, circuits and trails, theme parks and leisure complexes, sports and recreation facilities, arts and cultural venues and events should do much to generate demand, along with the anticipated growth in cruise and stop-over visitors.

No special measures are recommended for this sub-sector. Its major constraint is poor road access to attractions. This should be eased somewhat by improvements of A and B roads under way or planned, though off

the main roads, access to attractions is likely to remain a problem, one though that the parish councils must solve, not tourism.

4.7 Food and Beverages

This sub-sector comprises restaurants and night clubs in the resort centres which cater mainly for visitors rather than local residents. Separating such restaurants and night clubs is problematic as many cater for both local residents and visitors. Compared to other destinations, the food and beverage sub-sector, makes a smaller contribution to the Jamaican tourism industry, just over 6% of industry turnover. The dominance of all-inclusives and hotels in general contribute. However, turnover and profitability of restaurants is increasing with night clubs suffering a small decline. The main weakness of this sector is the absence of international brand-ed, food and entertainment chains in Jamaica, a particular weakness in the US market in which visitors look for such chains. It is proposed to overcome this weakness by mandating JAMPRO to undertake targeted investor mobilisation of such chains armed with specific locations such as the proposed waterfront and city centre development, profiles of visitors and the local population which could be attracted and with developers and investors in place. In addition, the sub-sector suffers from a lack of attractive sites. This should be overcome as a result of the redevelopment of the resort centres described in Chapter VI. In addition, measures to stimulate the domestic tourism market and VFR should benefit this sub-sector.

An initiative which the private sector may wish to consider is the offering of all-inclusive accommodation, food and beverage and entertainment packages in participating establishments at a resort centre. Such packages would only work if they are voluntary as they require the grouping of products likely to appeal to a similar clientele. But when established, they can be assisted in their marketing and sales by the tourism agencies.

4.8 Ground Transportation

This sub-sector includes taxis, car rental firms and coaches serving the tourism industry. It contributes just over 6% of turnover, though its contribution to employment is much higher at 16%. The sector has suffered sharp declines in profitability largely as a result of the failure to grow EP bed-nights sold as well as, in the case of taxis, increased number of participants. Reversing this decline depends on market growth and this depends, in turn, on market access.

The two main ground transportation organisations, JUTA and JCAL, unlike their rivals, tour operators and all-inclusives, are largely the passive recipients of visitor demand. As they are not themselves tour operators, their services are largely contracted by tour operators, cruise agents and hotels. The two organisations recognise the need for them to sell directly and have established tour operations. They require marketing and sales support to put together winning market propositions to sell to cruise lines and overseas tour operators. As they are the largest providers of ground transportation in the country, with the ability to provide high visitor security as well as back-up vehicles, the basics are in place to define a winning proposition. They will require professional assistance in ensuring that their tour operations are undertaken with the right vehicles, well maintained and with breakdown recovery facilities. Drivers will need to be trained to be tour guides and on how to provide an entertaining and informative experience.

At present, the cost of ground transportation is high whilst operator incomes are low. The involvement of too many intermediaries and high mark-ups is the main cause. With the co-operation of the JHTA, JAVA and the cruise lines this situation could and should be rectified.

Profitability of the car rental sector has declined alarmingly with major international chains withdrawing from

the market place and consolidation occurring in the industry. Declining demand caused by the fall in room nights sold in recent years is the main cause with the fall in the resale value of cars as result of the import of second hand cars also contributing.

Whilst profitability is negative, rental rates in Jamaica are high in comparison with the US, Europe and other Caribbean countries. JUDA blames this on high cost of imported vehicles as a result of duties, high cost of repair and maintenance because of poor roads, high duties on imported spare parts and high cost of finance. It has argued for some time for duty free imports of vehicles and lowering of GCT to compensate for high operating costs. However, when GoJ allocated a duty free quota, half of it remained unused. Further, interest rates are falling and the fall has made little impression on the profitability of the sector.

JUDA has recently completed a study of the causes of the decline in profitability and high rental rates in the car rental sub-sector. It concludes that the causes lie in an unfavourable operating environment. It proposes changes to the duty regime, the treatment of depreciation and a reduction in GCT along with a raft of other measures. Of the measures proposed, the following appear to have merit:

- i)** Like the rest of the tourism industry, the sub-sector is an export industry and should be treated as such. It should be able to draw back duty on the basis of foreign exchange earned as set out in section 4.11;
- ii)** Like most of the tourism industry, the sub-sector suffers from poor access to finance it should be provided with access to the specialist credit lines suggested for the rest of the industry;
- iii)** The rate of the depreciation allowed for the sub-sector does not reflect road conditions in Jamaica. Most developed countries allow depreciation on road vehicles at a rate of 25% per annum on a straight line basis. The JUDA request for 35% in the first year, 25% for the next two and the balance in year four, does not seem unreasonable.

Assistance to the sector should consist also of marketing support in identifying and mobilising appropriate sales channels for targeting segments of the market such as VFR and independent travel from European markets and villas and apartments. The sub-sector should be assisted with putting together flight, accommodation and car rental packages to offer to the travel trade. JRS should play a lead role in putting together packages and providing sales support, particularly for the smaller car rental companies.

4.9 Shopping

This sub-sector comprises in-bond shops and other shops in the resort centres selling mainly to tourists. The sector contributes 12% of industry turnover but as much as 19% of employment. It generates 61.1% of cruise visitor expenditure.

Jamaica's shopping sub-sector includes one of the Caribbean's leading in-bond industries. However, scope for growth is considerable. Other Caribbean destinations have been able to develop in-bond industries several times that of Jamaica's largely as a result of their larger cruise ship arrivals.

Constraints to the growth of the industry in Jamaica and measures which could be taken to alleviate them include:

- (i)** Poor cruise terminals and airports with very limited in-bond shopping. The redevelopment of cruise terminals in Montego Bay and Ocho Rios and privatisation of airports should help remove this constraint;
- (ii)** Unattractive resort centres which make shopping unappealing to stop-over visitors. The plans for the redevelopment of the resort centres should remedy this;

(iii) The list of goods which are allowed to be sold in the shops is restricted, principally to protect domestic manufacturers and other retailers. A logical case could be made for increasing the list of products but, as discussed below, further liberalisation is hampered by repeated flouting of the regulations under which in-bond shops currently operate which has made it difficult to persuade the revenue protection authorities that further liberalisation will not lead to additional abuse;

(iv) Difficulties in clearing goods through customs. The about to be completed computerisation of customs records should reduce this constraint.

The main additional measure that could stimulate accelerated growth of this sector is the liberalisation of goods that can be sold in-bond. However, the revenue protection department has evidence of repeated violation of the conditions of operating in-bond shops and is reluctant to grant such liberalisation. The revenue protection authorities have asked the in-bond merchants to introduce computerised recording of stock and sales so that it becomes possible to trace each item from import to export. The in-bond merchants have failed to do this.

The long-term answer is to locate the in-bond stores at cruise terminals and airports in areas where access by local residents is restricted. This will prevent the violations noted by the revenue protection department and so allow liberalisation. The additional measure worth considering is to allow the GCT free sale of domestic goods to foreigners and non-resident Jamaicans at the in-bond and selected other shops with the manufacturer able also to claim back duty paid on inputs as this would constitute a deemed export. The visitor would have to claim back duty by filling in a form and handing it in to customs at the time of departure. A system of reimbursement of the GCT paid would have to be instituted using a low cost payment system such as crediting credit cards. This would increase exports.

Other shops and the craft markets are also part of the shopping experience for tourists. A major programme is planned to improve the craft sector by training in merchandising skills, exposure to international trends, product development and diversification programmes and improved skill training. TPDCo has initiated a programme to develop new, attractive sites for the selling of crafts.

The craft development programme described in Chapter V below should go a long way to improving the shopping experience for visitors thus helping to develop what is currently an underdeveloped sub-sector. The redevelopment of the resort centres and the incorporation of facilities for local people to sell goods and services at attractions should go a long way to improve opportunities for other types of shopping as well.

4.10 Mechanisms for Implementation

To provide the technical assistance and credit lines envisaged for restructuring, it is proposed to establish a Tourism Industry Fund. The Fund would be managed by a Board of directors comprising representatives of all industry associations, the development finance institutions and commercial banks and nominees from the Ministries of Tourism and Finance. The funds would be held at a selected DFI which would be charged with operating the credit line for restructuring small hotels, villas, guest houses and apartments and attractions on terms and conditions established by the Board.

TPDCo would act as controller of the matching grant funds provided to carry out audits and provide technical assistance. All requests for marketing assistance would be channelled through the JTB which would help select appropriate suppliers. It is intended that the JRS become a major resource for marketing and sales support to all small businesses within the industry but it would need to compete with other suppliers for individual contracts.

The matching grant scheme would require TPDCo to maintain a register of approved suppliers with a database of their capabilities and fee rates. The database would keep records of their performance and thus ensure that only those who perform well are kept on the approved supplier list. If required, donor assistance could be sourced to establish a matching grant fund.

- The sums required for the assistance, to be provided over a five-year period, are likely to be as follows:
- (i) **Audits** – say 100 small hotels, villas, guest houses, apartments and attractions wish to undertake audits at a cost of US\$5,000 each, the total cost to GoJ would be US\$250,000 (100 x US\$5,000 x 0.5) on a matching grant basis;
 - (ii) **Technical Assistance** – say 80 out of 100 prove potentially viable and request technical assistance, the total cost to GoJ would be US\$600,000 (30 days x US\$500 x 80 x 0.5) on a matching grant basis. The remainder are offered 30 days assistance to exit the industry resulting in a cost to the exchequer of US\$300,000;
 - (iii) **Credit Line** – repositioning, involving significant capital expenditures may be required for up to 2,000 rooms, the cost per room of such capital expenditure is likely to be between US\$15,000-30,000 with US\$20,000 a useful average. The total cost would thus be US\$40 million. For prudent levels of gearing, only half this should be in the form of a loan, so US\$20 million should suffice. An additional US\$5 million should be provided for redevelopment of attractions, a similar sum for refinancing existing loans and a further US\$5 million for other sectors of the industry, making a total of US\$35 million for the credit line.

Thus funds for technical assistance for restructuring would amount to US\$1.15 million over 5 years and the credit line to US\$35 million. The technical assistance and the credit line could be sourced from donors or provided by GoJ. The preferred route would be for a project description to be written up by TPDCo and the MOTS and circulated by PIOJ to donors. If a positive response is not forthcoming, then the Ministry of Finance should be willing to work with the national DFIs to provide the credit line and to increase TPDCo’s budget to provide for audits and technical assistance. The way that the Ministry of Finance may wish to fund this assistance are set out in Chapter VIII, the Action Plan, below.

In due course, the industry is likely to start to implement quality assurance (QA) systems such as ISO 9000. At present there is only one hotel that has the certification required. Many governments provide assistance to firms to adopt QA systems such as ISO 9000 because it improves competitiveness. Usually assistance is given only to small and medium enterprises (SMEs) on a matching grant basis. However, the cost of assistance is high requiring some 50 days’ consultancy support and unless certification is done locally, the cost of certification can amount to US\$30,000 per hotel. The likelihood is that in the tourism industry, few small hotels would be ready or willing to adopt a formal QA system if they have to pay half this sum. So, we have not provided for this facility.

An additional facility that is recommended is support with the introduction of environmental efficiency and environmental management systems. Assistance in this regard is described under Sustainable Tourism in Chapter VII.

4.11 The Enabling Environment

This section sets out the measures that would help the industry fulfil its potential. The aim is to create a structure of incentives, remove bottlenecks to and create the support structures that are needed for faster growth. Specifically, it addresses the incentive regime, the development approval process, human resource development, anti-harassment and the role of TPDCo.

4.11.1 The Incentive Regime

In Jamaica, dialogue between the industry and GoJ on the development of underdeveloped sectors of the industry and to increase competitiveness have centred on tax based incentives. Even when the incentive does not address the cause of poor competitiveness, the industry has argued that the incentive should be given to compensate for the true cause of lack of competitiveness or other factors that undermine the industry, harassment and crime representing examples of the latter.

As noted in the Diagnostic and Strategic Options Report, the incentive regime for the tourism industry in Jamaica is broadly similar to other Caribbean islands. The causes of poor competitiveness lie in areas outside the incentive regime. The incentive regime can help provide an inviting environment for investment but its role in addressing competitiveness has to be minor. Moreover, the industry stands to lose credibility with GoJ by pursuing such a strategy. It is now widely recognised that whilst incentives can help divert resources to the sector concerned, they have little influence over the total level of investment that the country generates.

For the long-term, the industry cannot continue to demand that GoJ provide world class infrastructure with it contributing a minimal share of the tax burden. Tourism is a lead sector of economic development and as a relatively mature industry, cannot hope to avoid making its contribution to the public purse. It must recognise that GoJ will be unable to provide infrastructure if the country's main industries do not contribute to tax revenue.

The Government is in the process at the present moment of studying ways to reform the incentive regime in Jamaica. Its objectives are:

- (i) To consolidate the various pieces of legislation under which incentives are provided;
- (ii) To ensure that incentives are non-distorting. Providing incentives to some sectors as against others creates an incentive for resources to flow to sectors in receipt of the greatest incentive and this could distort the allocation of resources away from the optimal market based solution;
- (iii) Non-discriminatory. The provision of incentives should be transparent, available to all eligible projects, not leaving the power to grant them in the hands of the civil service or Ministers.

It is proposed to bring together all the incentives under a single act making it much easier for the private sector to understand what is on offer and why. This is a sensible step forward. In line with the non-distortion principle, it is proposed that all sectors receive the same level of incentives. However, it is proposed that exceptions would be made for sectors in which competing countries offered higher incentives.

It should be noted that the incentives given to hotels on corporate taxation are in line with other Caribbean countries and indeed comparable with what other developing countries offer the industry. Further, that it would be highly unusual for the country's incentive regime to take no account of the difference in gestation periods and capital intensity of different industries when setting the level and duration of corporate tax relief. Hence, countries attempting to simplify and make their incentive regimes less distortionary, tend to make a distinction between investments that are of short gestation and those such as infrastructure development that are by necessity of long gestation – it is irrelevant to provide incentives such as three years corporate tax relief for an investment that will take three years to build.

Thus it is recommended that the basic level of corporate tax relief provided to the hotel industry remain as it is today. Competitors offer comparable incentives and this is a long gestation business in which new ventures tend to take at least one to two years to become fully operational and another one or two to start making profits. However, on the non-distortion principle, the incentives given to hotels on corporate taxation should apply equally to other parts of the tourism industry including non-hotel accommodation which currently receives lower incentives through the Resort Cottages Act and attractions, entertainment and sports and recre-

ation facilities that are licensed under the JTB Act as these too are long-gestation capital intensive ventures.

Other ancillary sectors such as food and beverages, transport and shopping cannot receive the same level of corporate tax relief because they are sectors that serve the local market as well and do not have as long a gestation period. These sectors of the industry would, however, be assisted through the non-tax incentives listed above in the form of marketing and product support, and duty drawback to reflect that they are export industries.

The major weaknesses in the tax based incentives currently given to hotels are:

- (i) An incentive regime which is at the discretion of the Minister, provides exemptions prior to investment without sufficient follow up and monitoring, is list based and thus inflexible and also adds time to the investment process;
- (ii) A tax regime that combines indirect taxation with external tariffs. Many competitor countries have majored on a single type of tax. Slow and cumbersome customs procedures hinder investment and operational efficiency whilst customs duty leads to higher operating costs.

The system of incentives must be made open and transparent. Investors do not like systems which give incentives at the discretion of ministers as they increase the element of risk. To achieve this transformation, the system must be changed from one based on granting prior approval based on paper based submission to one which allows all eligible investors to claim their incentives as expenses are incurred.

What is proposed is to make all hotels, non-hotel accommodation, attractions, entertainment and sports and leisure complexes eligible for exemption from customs duties on all imports of equipment, materials and services for capital investment, not just those included in the list, and be entitled to exemption from corporate taxation for a defined period of 10 years. Other JTB licensed activities such as transport would be eligible only for duty drawback. Customs duty would be refunded on submission of evidence that construction and furnishing are taking place and against evidence of duties paid on import. The system would include spot checks on progress in completing the investment.

The usual argument against the move to a system of duty rebates, is that as against the current prior approval system, it would impose a higher cash flow burden on investors. The customs department is in the final stages of computerising import records. When this has been completed, the department should be able to guarantee duty rebates within three months, with interest payable thereafter at prevailing commercial rates. This should ensure that the call on working capital is kept to a minimum. The end of the delays and frustration experienced under the present system, whereby shipments are often held up at the port, along with the greater transparency and flexibility of the new system should serve as recompense.

Whilst imported inputs are tax exempt for capital expenditures, Jamaica continues to levy high rates of customs duties on operating inputs. In the Dominican Republic, customs duties on all inputs used by the tourism industry, for capital and operating expenditures, have been removed. Many other countries are moving in this direction, no doubt prompted by the Uruguay Round agreements on binding and reducing tariffs which are resulting in the decline of customs duties as a source of government revenues.

In Jamaica, the tourism industry does not enjoy duty exemption on operating expenditures. Further, the whole process of getting imports through customs is fraught with delay. It is proposed to place the hotel industry on the same footing as exporters of goods with the facility to claim back duty on all inputs, with the exception of alcohol and tobacco. The duty free import of liquor and tobacco poses major problems as it could seriously undermine both a major source of government revenue and the local beverage industry.

Eligible tourism industries (JTB licensed, hotels, non-hotel accommodation, attractions, entertainment and sports, leisure complexes and other sectors such as transport) would be given an annual duty free allowance against proven generation of foreign exchange receipts from tourism in the previous year. Duty would be rebated to the eligible entity even if the importer was a wholesaler or other intermediary, provided proof of import and payment of duty was furnished by the eligible entity alongside proof of purchase of the item. As for capital expenditures, reimbursement of duty would be within a three month time-frame with interest payable on balances thereafter.

The measure would go a long way to make Jamaican costs of inputs used by the tourism industry comparable with lower cost Caribbean rivals and contribute to the industry's international competitiveness. Not only would the measure help reduce the cost of inputs that are imported at present, it would also help to lower the cost of inputs which, due to tariff protection, are artificially high in Jamaica. No doubt, import penetration may increase but only for products that the country has no competitive advantage in and any loss of foreign exchange this may cause would be more than offset by increased foreign exchange earnings by the tourism industry through improved competitiveness and hence higher growth.

The inability to provide a duty drawback mechanism for imports of alcoholic beverages and tobacco will, of course, continue to represent a significant competitive disadvantage as liquor represents an important cost item for the industry. For the immediate future, the feasible approach to this problem lies in the industry, through the JHTA and other trade associations, working with the main domestic producers of alcoholic beverages to import branded wines and liquors in bulk for bottling in Jamaica. The duty regime for bulk imports for bottling purposes is attractive in comparison with bottled imports, on which the industry has relied up to now.

The reduction in the external tariff burden must, however, be matched by an increase in indirect taxation on the industry, GCT, room tax or industry levy. Currently, the hotel industry of Jamaica is subject to one of the lowest rates of indirect taxation in the Caribbean. Effective rates of GCT, although set to achieve between 5.9% and 6.5%, in practice yield less than 4%. Other Caribbean countries levy indirect taxes at rates in excess of 15%. There is scope to increase indirect taxation in Jamaica and integrity of revenue collection without jeopardising the tourism industry's competitiveness.

However, there are strong grounds for phasing in increases in indirect taxation, largely due to the current poor competitiveness of the industry. Moreover, it is proposed that any increase in taxation, when it occurs be earmarked for the tourism industry (hypothecated). Hypothecation is the modern trend in taxation and follows the example of The Bahamas where room taxes are allocated directly to the tourism agencies and, of course, the head tax on cruise passengers in Jamaica.

The new regime of incentives should be published and applied transparently. There would be no need for the paper based approval system that takes place at present. The system of incentives operated at present allows recipients to do pretty much what they like once approval is given. There is no mechanism to ensure that the material imported is actually used for the intended purpose. The new system should therefore prove more efficient at protecting revenues. It could be operated entirely by the Ministry of Finance with no involvement of the Ministry of Tourism.

4.11.2 The Development Approval Process

It has been identified in earlier consultancy reports (Ministry of Industry, Investment and Commerce, An Evaluation of the Development Approval Process, July 1996 by Coopers & Lybrand) and referenced under the Location Strategy, Chapter VI of this report, that the complete development approval process in Jamaica is extremely involved. Delays in obtaining development approval can be considered the single most important barrier to investment.

Some of the major flaws in the development approval process have been identified as:

- ▶ there is a lack of transparency in the process of approvals and the criteria applied;
- ▶ requirements for a large number of different approvals at the local and national levels. There are extensive overlaps between local and national agencies looking at the same set of plans for separate approvals in the same subject areas such as health and safety, and land use;
- ▶ the need to send sequentially the same application to the departments of a large number of agencies that do not have special responsibility for development approval and hence deal with them as time permits;
- ▶ unnecessary reliance on pre-investment approval, for example, obtaining the consent of the utilities;
- ▶ over centralisation with the Town Planning Department involved in the review of sub-divisions for 10 lots and under. Local decisions are made at both local and national levels.

JAMPRO has been making great efforts to overcome the limitations of the current system by introducing a "one-stop-shop" concept to the approvals process. Whilst progress has been made with clarifying for investors the application procedures they need to go through, the one-stop-shop is generally seen by investors as one more stop.

To bring Jamaica into line with its international competitors, a more radical approach to reform is required. This should focus on three key changes:

1. Firstly, the current system is orientated to one of sequential approvals based on paper plans and applications. By contrast, very little attention is given to the enforcement of plans when they progress to physical development. In future the focus should be on publishing transparent guidelines on what is acceptable and then concentrating resources on monitoring and enforcing to ensure that breaches of the guidelines are uncovered and rectified;
2. Secondly, many aspects of a development are subject to prior regulatory approvals which are just not required in other countries. Elsewhere, aspects such as health and safety are left to rigorous enforcement of clearly defined rules and obtaining connections from the utilities is a matter for the investor alone, not the development approval process; if the investor can't get a connection, they won't be able to operate anyway;
3. Thirdly, in the long term, the process of development approval needs to be decentralised and made more efficient as described in Chapter VI. In the interim, what is important is to establish tight time-frames for each agency to review applications. The monitoring of the process by JAMPRO should enable the organisation to check if the deadline is exceeded by any agency. If it is exceeded, the agency should be given a short period in which to lodge any objections to approval after which the default decision would be assumed to be approval.

In Jamaica a clear distinction needs to be drawn between those aspects of development which genuinely do require prior approval and those that are best dealt with through the system of regulation and enforcement. In some aspects, such as planning permission, a prior approval procedure is necessary but many other approvals need not be sought prior to development.

4.11.3 Human Resource Development

The tourism industry is often referred to the hospitality industry. The workforce that serves the customer is a vital part of the product and can make all the difference in terms of customer satisfaction. Moreover, the efficient use of labour is critical to cost competitiveness with labour productivity crucial to the success of the business.

The leading Jamaican all-inclusive chains have made their staff a vital ingredient in the product and are able

to match productivity levels elsewhere in the Caribbean. Even they cannot match, however, the levels of productivity achieved by the industry in the US or Europe. Whilst the all-inclusive chains can be rightly proud of their record on training and human resource development generally, the situation with regard to the rest of the industry is much worse, as follows:

- (i) a recent survey by the JHTA suggests that as much as 20% of the work force of the industry may be illiterate;
- (ii) a system of national vocational qualifications does not exist. There is no database that can monitor work experience so it is difficult for employees with the required experience to prove their capability except by testimonials and references;
- (iii) training is provided by the industry, by HEART, TPDCo, UWI, UTECH, the CTO, foreign companies and Jamaican private sector providers without agreed competency levels. The training does not result in the creation of a transferable asset for either the individual or the industry;
- (iv) there are recognised skill shortages such as chefs and middle and senior management that are filled by the import of expensive expatriates. Whilst unskilled labour is poorly remunerated by the standards of the Caribbean, in areas with skill shortages, the cost of labour is determined by reference to the cost of expatriates. This erodes the cost advantage provided by the low cost of unskilled labour;
- (v) small businesses undertake little or no in-house training and have poor human resource management systems so that staff are often de-motivated with little incentive to increase efficiency or product service;
- (vi) new entrepreneurs in the accommodation, attractions and other ancillary sectors may have little or no training in either business management or their particular industry or both. This leads to a high rate of business failure;
- (vii) NGOs and CBOs are unable to get training in the management of accommodation or the running of attractions.

The major proposals to combat these deficiencies are to:

- ▶ Establish a Human Resources Development Council (HRD Council) for the industry comprising the trade associations (JHTA, JAVA, AJAL, JATO, JUDA, JUTA, JCAL, etc), HEART/NTA, UWI, UTECH and Ministry of Education under the leadership of the MOTS with TPDCo serving as its secretariat. This would be a policy making and resource allocating body that would meet biannually;
- ▶ Develop a system of job classification and competency levels for the industry to arrive at a system of vocational qualifications using guidelines developed by the CTO or other organisations;
- ▶ Agree the basic content of training for each qualification and establish a system of accrediting training providers and courses;
- ▶ Co-ordinate the sharing of experience in delivery methods for training including training methods, materials and aids;
- ▶ Develop a human resources database on the industry by registering employees, their experience, training records and qualifications achieved. Make the database available to all employers in the industry;
- ▶ Establish a programme of literacy training for the industry;
- ▶ Provide incentives for employers to send their employees for training;

- ▶ Provide in-house training for businesses in the industry;
- ▶ Establish special programmes for meeting skill deficiencies;
- ▶ Integrate gender policy.

The HRD Council could be formed rapidly as there is widespread recognition of the need to co-ordinate activities of the various agencies involved to prepare a national system for human resource development for the industry. The national system of vocational qualifications for the industry is in the process of being developed by the National Council for Vocational Education and Training (NCTVET). For it to be widely used and accepted, it will need to be endorsed by the industry's trade associations. There is a need also to give to a body such as HEART NCTVET the responsibility for the accreditation of all training courses offered in Jamaica so that private sector participation in the process can be integrated with public provision on the basis of common standards.

The database is essential to allow employees to take with them the credits and qualifications they earned in one job to another and for employers to verify employee records. With funding from the Inter-American Development Bank (IDB), a database is being developed at the JHTA with support also from HEART. The database is almost complete in design and certification. Having developed the database it will need to be maintained and made available to the industry electronically to enable data searches. The cost of maintaining the database is estimated at US\$0.35 million per annum.

The main provider of literacy training in the country is Jamaica Adult Literacy (JAMAL) and that organisation has been working with the JHTA to run literacy programmes. The cost of achieving basic literacy is estimated at US\$100 per person. The number of people requiring basic literacy training in the industry is estimated at close to 15,000 and this number will be added to annually as the workforce increases. It would appear prudent to budget for 2,000 people to be receive basic literacy training annually throughout the Master Plan, allowing for staff to be released by employers gradually. The annual cost of literacy training would thus amount to US\$200,000 and, as literacy is a basic right, the cost should be met by GoJ.

The incentive for employers to release their employees for training cannot be tax based. The businesses that need their employees trained pay so little tax that even if GoJ were to follow policy in Malaysia and elsewhere and allow for businesses to charge 150% of the cost of training against tax, there would be few takers.

The alternative used in many countries is the one third principle whereby the employer pays a third, the employee a third and the government a third. Thus all who benefit contribute. This is the principle recommended for Jamaica. The cost of the course varies as HEART does not run them regularly but at the request of the industry. Costs are in the region of US\$200 per person for basic vocational courses. Assuming the cost is US\$210, government's contribution would be US\$70 per employee/course.

The target should be to encourage at least 5,000 persons to attend such courses annually in addition to the 3,000 trained by TPDCo through its skills upgrading, TEAM Jamaica and other schemes. The skills upgrading course will need to be charged for on the same basis as the other vocational courses provided by HEART. The cost to GoJ would thus be US\$350,000 per annum.

The JHTA, through the IDB funded programme, has been offering in-house training. The way this is done is by training change agents in each business. The recipient is asked to provide two or more employees who can become trainers and they are trained to write standard operating procedures. The trainers then help the rest of the company implement the procedures. This is an excellent scheme that should be continued. Costs to recipients are low. A team of qualified staff drawn from TPDCo's HR department should take it over and run it. Additional costs are estimated at US\$250,000 p.a.

4.11.4 The Role of TPDCo

Bringing about the increase in competitiveness and providing support for the development of the industry and its human resources is the responsibility of TPDCo. The organisation's departments that have a major role to play in this regard are the Standards and Training and Team Jamaica departments. The role of both departments needs to be strengthened.

The standards department's prime responsibility is product development. The standards department should, therefore, be responsible for managing the assistance required by the industry to restructure small hotels and villas, guest houses and apartments and all aspects of the assistance to the attractions sector to improve product development. It should have at its disposal the matching grant facility to enable the industry to have audits conducted and access technical assistance.

The standards department should maintain its function of monitoring to identify problems and constraints and propose solutions across all sectors of the industry. It is highly unlikely that any small group of experts could have in-depth expertise across the vast range of types of business that exists in the industry. The department should, therefore, act as guide to businesses so that they can source the required expertise within Jamaica and abroad. The matching grant facility should help to make external assistance affordable to the industry. The standards department should also be responsible for the introduction of the grading scheme, working with JTB to ensure that premises willing to participate are rewarded by inclusion of their grades in marketing literature. The department should continue its current role of inspecting premises on behalf of JTB for compliance with national legislation and the JTB Act.

The Human Resources Development Department and the Team Jamaica Programme have won many plaudits for their work and are much appreciated by the industry. The department has developed the HR strategy described above. The strategy needs to be endorsed and funded by the Ministry of Tourism and Sport and the Ministry of Education so that the department is able to play the central role in leading the committee/council that will manage the implementation of the HR strategy.

4.12 Conclusions and Recommendations

The major conclusions and recommendations of this chapter are:

1. With the aim of maximising the contribution to GDP and jobs created per dollar of visitor expenditure, it is planned to support small EP hotels, non-hotel accommodation and ancillary sectors such as entertainment (including attractions, entertainment and sport and leisure), food and beverages and transportation so that these sectors increase their share of the tourism industry;
2. Within the accommodation sector, room stock is expected to increase by 11,360 rooms, the majority in EP or mixed hotels. The numbers of all-inclusive rooms is projected to rise more slowly and rooms in non-hotel accommodation least of all because of the very low occupancy achieved in this sub-sector at present;
3. The aim is to increase average occupancy in the hotel industry to 69%, with the all-inclusives achieving 75% occupancy and the EP sector 62%. Occupancy levels in the non-hotel industry are projected to rise from below 20% to well over 50%. In aggregate, occupancy in the accommodation sector should rise from below 45% to 65%. This should help improve the viability of the accommodation sector;
4. Achieving this increase in occupancy requires that the increase in number of rooms is kept below the growth of bed and room nights sold. This will require that JAMPRO, with the support of JHTA and JAVA, publicise the performance and profitability of the accommodation sector to prevent unrealistic assessments of the growth and profitability of the industry from causing increases in supply to outstrip

demand. The DFIs also have a role to play in ensuring that only quality investments, able to cover gaps in the products supplied by the industry and/or compete internationally get financed;

5. Employment in the industry is expected to increase by 55,000 persons from which only 15,000 new jobs are expected in the accommodation sector. The majority would be new jobs in ancillary sectors such as entertainment;

6. A major initiative that brings together the expertise and resources of JAMPRO, UDC, JTB, JAMVAC, TPDCo, the DFIs and the Ministry of Finance should be launched to mobilise foreign investment. The initiative would offer targeted investors packages of sites, developer services, joint venture partners, marketing support including air links, training of staff and credit lines and/or loan guarantees. The targets would include operators of large, 3-4 star EP hotels in other major Caribbean destinations, very large convention hotels in the US and entertainment and sports complexes in the US and Europe;

7. A package of technical and financial support should be made available to help restructure the small hotel sector. The package would include audits to help identify unviable businesses. Assistance would be provided for the unviable to exit the industry and the viable to increase competitiveness and reposition themselves in target markets;

8. Similarly, the unfulfilled potential of guest houses, villas and apartments would be developed through a package of technical and financial assistance. The technical assistance would focus on marketing and sales support to these small businesses but would cover also product improvement;

9. The entertainment sector (including attractions and sports) would be developed through the policies recently announced by MOTS to improve institutional support, education, synergy between tourism and entertainment, venues and infrastructure. It is intended to attract foreign and local investment in the entertainment sector by providing incentives for investment in the JTB prescribed areas similar to those available to the hotel industry;

10. The main assistance to be provided to the transportation sector would be marketing support for small businesses and trade associations such as JUTA and JCAL to market themselves to travel agents, tour operators and cruise ships agents, thus reducing the numbers of intermediaries between themselves and the customer, thereby improving value for money to the customer and the incomes of taxi operators;

11. Shopping would be assisted by the development of cruise ship terminals and airports and the introduction of a GCT refund scheme for locally manufactured goods. A major new initiative is planned to develop arts and crafts, described in the following chapter;

12. Technical assistance to small hotels, non-hotel accommodation and attractions, on a matching grant basis, is expected to cost US\$1.15 million over a 5 year period. Financial assistance would take the form of a credit line for these sectors of US\$35 million. In addition, up to US\$225 million may be required in the form of loan finance from the DFIs or loan guarantees from GoJ to attract FDI;

13. It is proposed to change the incentive/tax regime for the tourism sector. It is proposed that the same incentive regime apply to hotels and non-hotel accommodation and to entertainment and sports complexes in the JTB prescribed JTB areas. The regime would be an amended version of that applying to hotels at present which is basically in line with practice throughout the Caribbean. In line with current trends, that regime should be modified as follows:

- > Instead of pre-investment approvals for duty free imports of a list of equipment, duty drawback would apply on all capital expenditure. Duty drawback would be available also on operational inputs (excluding liquor and tobacco), subject to foreign exchange earnings in the previous period;
- > Corporate tax incentives would remain as they are at present for the hotel industry with tax free holidays available for ten years;
- > With the reduction of the duty burden on the industry, the burden of taxation would increasingly

be confined to indirect taxation. As the industry is suffering from low profitability and parts of the industry are unable to compete effectively, it is proposed, however, to phase in any increase in indirect taxation;

14. Other sectors of the industry such as transport would be eligible for duty drawback;

15. In the long run, the development approval process needs to be streamlined and shortened. In the immediate future, a system of time limits must be introduced to ensure that delays in development approval do not undermine investment in the industry;

16. To improve human resource development, it is proposed to establish a HRD council, to co-ordinate activities, make policy and allocate resources across the many agencies involved. Further, it is proposed to develop a system of vocational qualifications with accredited training providers and a database for employees that improves the marketability of their qualification and experiences. It is proposed also to undertake a programme of literacy training, provide incentives for training by sharing costs between the employee, employer and Government and to provide on-the-job training. The total cost of the support would be US\$1.15 million per annum;

17. In line with its product development function, TPDCo's standard department should be responsible for running the programmes to support the restructuring of small hotels, non-hotel accommodation and to support attractions. TPDCo should provide expertise itself and through running the matching grant scheme. TPDCo should run, on a voluntary basis, a grading system for hotels and non-hotel accommodation with the JTB using the grading system in brochures and promotional literature. Its Team Jamaica should take centre stage in developing and implementing the HR strategy for the industry.

The main policy level recommendations are to:

- ▶ Establish an inter-agency task force to mobilise FDI in the tourism industry comprising JAMPRO, UDC, JTB, JAMVAC, TPDCo, MOTS, the DFIs and the Ministry of Finance. The major resource requirement would be up to US\$225 million in loan finance or loan guarantee schemes over the ten year life of the Master Plan;
- ▶ Establish a matching grant scheme to provide technical assistance and credit lines to support the tourism industry as described above;
- ▶ Amend the incentive regime for the tourism industry as outlined above. This will require amending the relevant acts as well as possible new regulations to cover entertainment, including attractions and sports complexes;
- ▶ Support the development of an HRD council and a system of vocational qualifications as described above. Provide incentives of training and fund the annual costs of running a national human resource development system for the industry.

V Jamaica's Heritage

The development of Jamaica's outstanding heritage assets will help to differentiate it from the vast majority of Caribbean islands. The development of heritage assets is the key to sustainable development as it ensures that the product reflects the culture and aspirations of the Jamaican people. The four major priorities for the development of built heritage – based on criteria of heritage significance and tourism potential, as well as other factors such as scale and accessibility – are Port Royal, Spanish Town, Falmouth, Seville/St Ann's Bay. The strategy for other smaller sites of national heritage significance which have primary tourism potential must be to develop them in a co-ordinated and linked manner so that they can together represent sufficient scale to prove attractive to visitors. Two major concepts are proposed for this are: 'Towns and Villages of Culture' and 'Heritage Themes and Trails'. Natural heritage sites require technical and financial assistance to implement the principles of eco-tourism. Building up culture-based tourism will require increasing numbers of festivals and events with a cultural content, developing a programme for crafts and setting up a facility where the tourism industry can understand what is the cultural expression on offer in Jamaica. It is proposed to develop heritage by combining the protection and conservation skills of the heritage agencies with the product development and marketing skills of the tourism agencies. Further, a Heritage Fund administered by a partnership of heritage and tourism agencies and non-governmental organisations would be established to provide the resources for implementation. TPDCo would establish a Heritage & Community Support Unit to provide technical assistance. Heritage projects would be provided with special incentives, greater than for mainstream tourism projects, reflecting their importance to tourism and the country as a whole.

5.1 Introduction

This section sets out the actions required to develop the country's heritage assets. It starts with a brief diagnostic of the current situation, outlines the objectives of the Master Plan and the basic strategy proposed for the development of heritage assets. It then sets out the framework for developing the built environment, natural attractions and cultural assets. It concludes by listing the changes at the policy level to bring about favourable conditions for the development of the sub-sector.

5.2 Summary Diagnostic

In preparing this Master Plan, the Ministry of Tourism, with assistance from the IDB, commissioned a major study of the development of culture/heritage based tourism products. That study represents the underpinning of this Chapter and should be consulted by those interested in its detailed recommendations. The study's outputs consist of a main volume entitled 'A National Development Strategy for Cultural/Heritage Tourism – Product Development for Jamaica', together with four accompanying component studies:

1. Jamaica Heritage Product Development Study, Scott Wilson Resource Consultants (June 2000);
2. Heritage Tourism Product Development Study (final report February 2000), by Anne Hodges;
3. Community Based Tourism, by Robert Kerr;
4. Festivals and Events Draft Report, by Elton Elombe.

The main findings of these studies are summarised below.

Jamaica has put in place comprehensive and well conceived policies for the protection, conservation and development of its natural, cultural and built heritage through a series of laws and the creation of a network of government agencies. The laws contain laudable statements on the importance of culture, history and the built environment and in each area powers to protect, conserve and encourage the development of heritage assets have been conferred on national agencies.

However, as is often observed of Jamaica's developmental initiatives, excellent intentions have not been translated into action. The major shortcomings noted with regards to the preservation and development of heritage assets are:

- ▶ Major shortcomings exist in the implementation of the excellent legislative framework for the protection of the environment, the built heritage and the promotion of Jamaican culture, caused by poor co-ordination between agencies, lack of resources and insufficient attention to mechanisms for implementation;
- ▶ The task of inventorying, prioritising and preparing plans for conservation and development is far from complete. Where areas or sites have been designated for protection, the lack of resources has prevented their effective conservation. Despite the efforts of committed NGOs and volunteers, many important national assets continue to suffer degradation;
- ▶ Major weaknesses remain in the institutional framework to promote the development of heritage products. For example, the Jamaican National Heritage Trust (JNHT) has established parish-level heritage foundations to develop the country's heritage assets. Most of these heritage foundations suffer from a lack of resources and are unable to fulfil their developmental function effectively. There are similar constraints on the environmental NGOs (ENGOS) that are attempting to promote the development of natural assets and on the Jamaica Cultural Development Commission (JCDC);
- ▶ There is a gap in the expertise required to ensure that development of Jamaica's heritage combines authentic presentation with commercial viability. The vast majority of heritage assets are not commercially viable and this has reduced the flow of investment into this sub-sector;
- ▶ There has been a failure to involve local people adequately in the development and management of assets on the one hand and an inability of community-based projects to achieve viability on the other;
- ▶ The strong legislative and organisational support for the protection of the heritage has not been matched by commercial incentives for the development of the assets into visitor attractions.

As a result, the country is failing its policy objective of preserving and conserving its heritage. The tourism product also fails to achieve its potential as the country is unable to show case its best assets.

5.3 Objectives and Strategy

5.3.1 The Role of Tourism

Henceforth, in line with market trends, the marketing strategy for the country will differentiate Jamaica from the vast majority of Caribbean islands on the basis of its outstanding natural beauty, culture, history and built environment – in short, its heritage. The development of the country's heritage assets is also vital for achieving the objective of sustainable tourism. To be sustainable, tourism must reflect the history, culture and aspirations of local people. The development of heritage assets would make tourism reflect the history and culture of Jamaica and showcase the country's natural beauty. It would serve also to educate and inform Jamaicans and reinforce the pride they have in their heritage.

Tourism has a vital role to play also in addressing the shortcomings set out in the diagnostic above with regard to the protection, conservation and development of heritage assets. It can provide the markets that would help to ensure commercial viability of heritage assets and this, in turn, could raise additional finance for protection and conservation. The co-ordinated use of the resources that GoJ provides for tourism product development and the preservation and conservation of nature, culture and the built environment could help meet the current shortfall in resources noted above.

In addressing the development of heritage assets for tourism, however, it should be remembered that the purpose served by the preservation of national heritage is far more important than tourism. Each country preserves its heritage not just for commercial exploitation but to pass it on to future generations as their birthright. Tourism merely serves to help popularise and commercialise those heritage assets that are likely to prove attractive to visitors, be they domestic or foreign tourists and so provides a commercial rationale for preservation.

In the following sections, we set out a structure and mechanisms for the promotion of heritage-based tourism in Jamaica. A vast array of related work must precede the development of heritage assets for tourism with regard to protection, conservation and education and training in the disciplines necessary for the preservation and development of the country's heritage. This will remain the responsibility of other Ministries and their agencies. We have noted the main requirements below as they are essential for establishing an enabling environment for the development of heritage based tourism, but responsibility for implementation lies outside the scope of this Master Plan. The overarching policies, priorities and objectives in this field must be set by other ministries. Tourism must work within the framework established by them.

5.3.2 Objectives

The objective of the Master Plan is to make tourism the vehicle for the conservation and development of the country's heritage assets and to make heritage tourism the basis of urban renewal. It seeks to achieve this by providing an effective organisational framework to protect, conserve and develop heritage assets and to mobilise resources to enable heritage tourism to be used as a vehicle for urban renewal.

At present, of the over 100 attractions in Jamaica, the vast majority are natural. The aim is to shift the balance towards the built environment, historic and cultural attractions to show case the variety on offer. From the current position that the majority of attractions are not viable, the aim is to develop a sub-sector able to mobilise investment based on the profitability of its businesses. Priority would be given to involving communities in the conservation and development of heritage assets and the support of community based ventures to engender a sense of ownership, pride and commitment to the protection, conservation and development of heritage based assets.

5.3.3 Strategy

Achieving these objectives will be challenging. Resources are limited in relation to the extent of the need. The challenge would be addressed by a strategy that comprises the following:

- ▶ Focusing resources on major assets;
- ▶ Establishing ongoing mechanisms for resource mobilisation and deployment that would allow sustained development of heritage products;
- ▶ Creating vehicles for public-private partnerships so that the combined skills and resources of both sectors can be harnessed in support of developing heritage products;
- ▶ Providing tourism's marketing and product development expertise to support heritage ventures, in the private sector and community based ventures;
- ▶ Developing an effective organisational structure to protect, conserve and develop heritage assets that

brings together government heritage agencies, the tourism agencies, concerned CBOs, NGOs, ENGOs and the private sector;

- Improve the investment climate for heritage based tourism ventures by introducing incentives and providing technical and financial assistance for new business development.

Details of the strategy are set out below.

5.4 Inventory of Heritage Tourism Assets

The starting point of the strategy is to take stock of the country's assets to determine priorities and assess need. There are many different ways to classify and rank the various heritage assets of the country. In the culture/heritage study, the hierarchy used is to rank the asset by a combination of its heritage significance and its tourism potential. This is a sensible way of classifying heritage assets for tourism purposes. The classification produced, with slight amendments to include natural and cultural assets that were omitted, was as follows:

International Heritage Significance and Primary Tourist Potential

Port Royal (Fort Charles, Old Naval Dockyard area and Old Naval Hospital)
 Bob Marley Museum, Kingston
 Seville Heritage Park
 Dunns River Falls
 Blue and John Crow Mountains
 Fern Gully
 Marcus Garvey's Birthplace
 Sevilla Nueva (included within Seville Heritage Park)
 The Square, Spanish Town
 Firefly
 Falmouth
 Titchfield Hill, Port Antonio
 Jamaican Railway
 Reggae and the music industry

National Heritage Significance and Primary Tourist Potential

Fort Charlotte, Lucea
 Hanover Museum
 Sir Alexander Bustamante's Birthplace, Blenheim
 National Gallery, Kingston
 Port Royal (Admiralty House, Mast House and Naval Stores)
 Roxborough (Norman Manley's Birthplace)
 Fort George, Titchfield Hill, Port Antonio
 Old Military Barracks, Titchfield Hill, Port Antonio
 Blue Lagoon
 Athenry Gardens and Nonsuch Caves
 Reich Falls
 Somerset Falls
 Moore Town
 Devon House, Kingston
 Cinchona Gardens, Kingston
 Seville Great House
 The Cathedral, Spanish Town
 Roaring River/Blue Hole

Bamboo Avenue
Alligators, manatees
Ys Falls
Black River
Flora, ferns
Greenwood Great House, St James
Rose Hall Great House
Sam Sharpe Square, Montego Bay
Bath St Thomas
Milk River Bath
Lover's Leap
Cockpit Country

International Heritage Significance and Secondary Tourist Potential

Folk culture, dance, music, crafts
The sporting tradition

The purpose of the above list is not to serve as a once and for all judgement on the value of the country's her-itage assets, but rather to serve as a framework for debate between the ministries and agencies in order to arrive at a definitive list. Further, the list does not represent priorities for development or resource allocation. Priorities for development and the recommended framework for development are set out below for the built environment, natural assets and culture.

5.5 Possible Heritage Themes

The grouping of sites in themes facilitates their development into tourism products. It facilitates the develop-ment of marketing materials such as videos and guide books, road signage and interpretative material at indi-vidual sites. By organising the themes into trails, it encourages the enthusiast as well as the general visitor to visit other heritage sites in Jamaica.

The Culture/Heritage Study recommended the following themes:

1. Natural Wonders: Waterfalls, Caves, Gardens

Such sites are already well-established as some of Jamaica's most popular attractions, including the most popular Dunns River Falls. The candidates for inclusion in such a trail would be:

- > Dunns River Falls
- > Somerset Falls
- > Reich Falls
- > Ys Falls
- > Cane River Falls
- > Crystal Springs
- > Runaway Caves/Green Grotto
- > Atherny Gardens/Nonsuch Caves
- > Windsor Caves
- > Jackson Bay Caves
- > Crystal Springs
- > Blue Lagoon
- > Cinchona Gardens

- > Coyaba River Gardens and Museum
- > Hope Botanical Gardens
- > Shaw Park Gardens
- > Milk River Bath
- > Bath St Thomas
- > Bamboo Avenue
- > Whitehall Caves
- > Gowie Caves
- > Lover's Leap
- > National and Marine Parks
- > Endangered species such as alligators, manatees, etc
- > Birds
- > Flora, including the huge variety of ferns

2. Slavery and Emancipation

The national importance of Jamaica's period of slavery and subsequent struggle for emancipation has already been reflected in the declaration of National Heroes; their memorials in National Heroes Park; and the series of statues and memorials around the country. The key candidates for this trail and the sites related to:

- > Bustamante
- > Marcus Garvey
- > Bogle
- > Gordon
- > Churches with features related to slavery
- > Plantations with features related to slavery
- > The slave ports

3. The Maroons

The struggle of the Maroons against the colonial powers is one of the greatest stories of the resistance put up by African people against slavery. Having been freed and armed by the Spanish to slow down the advance of the English, the 'cimaron' (meaning wild, untamed) defended themselves so successfully that they were able to refuse an offer to surrender in return for full freedom and land.

In 1739, they were granted full freedom, land and complete jurisdiction over their territory, including judicial powers with the exception of the death penalty. The Accompong and Windward Maroons maintain their independence today. The Maroon villages of Moore Town and Accompong are set in major natural attractions of the Blue and John Crow Mountains and Cockpit County. The Maroons wish to develop a tourism product.

4. Forts and Fortifications

Most military and naval establishments have characteristics that lend themselves to transformation into visitor attractions. They are often on prominent hill top or coastal sites, offer commanding views from suitable viewing platforms, are related to events in Jamaica's history and link the visitor to other features of interest such as ships and guns. Candidates for inclusion are:

- > Fort James (and related sites at Port Royal)
- > Rockfort (Kingston)
- > Fort George (Port Antonio)
- > Newcastle Military Station
- > Sevilla La Nueva
- > The Barracks, Spanish Town
- > Fort Johnson

- > Port Henderson
- > Rio Nuevo Battle Site, St Mary
- > A number of Forts in St Thomas
- > Fort Balcarras, Falmouth
- > Fort Charlotte, Lucea

5. Churches

Although Jamaica has no individual cathedrals or churches that merit status as primary attractions (like the medieval cathedral of Europe or the temples of India), many of them have a distinctive architectural style. The churches also played a major role in the emancipation and independence struggles and remain significant features of modern life. Most parishes will have candidates for inclusion in the trail publications. There is a specialist market for churches and related architecture in the US and Europe.

6. Great Houses

As with the churches, the appeal of Jamaica's 'Great Houses' is not their individual scale or architectural style or links to famous people, but their representation of Plantation Life, that was distinctly Jamaican.

Great Houses that warrant inclusion are:

- > Halse Hall, Clarendon
- > Tyrall Estate, Hanover
- > Huntingdon Summit
- > Marshall's Pen
- > Seville
- > Ashton, St Elizabeth
- > Magdalen House and Spa
- > Good Hope
- > Whitehall
- > Belvedere Estates
- > Greenwood, St James
- > Rose Hall
- > Brimmer Hall
- > Auchindown
- > Barnett Estate

7. Industrial Heritage

Interest among general tourists in the industrial heritage of a destination is a fairly recent phenomenon. Potential sites in Jamaica are:

- ▶ Taino period: Cassava Press
Dug-out Canoes
- ▶ 17th-18th Century: Sugar Industry
- ▶ 19th Century: Banana Plantations
Iron Bridge (1801)
Railways
Early use of telephone and light
Early hydro-electric plant

8. Pre-Colombian Jamaica

Evidence of this is largely archaeological, however, there are probably enough sites, such as caves, museums, etc to justify a map-guide on this subject.

9. Jamaican Culture

Heritage tourism need not be exclusively involved in historical sites and features. Modern culture, representing food, dance, crafts, arts, etc is the outcome of the nation's varied history and can be used as a valuable entry point to showing how various historical and cultural trends have come together to shape modern Jamaica. Folk music, dance, theatre and cuisine can be presented by leading groups and artists. The theme should be converted to a trail comprising visits to the leading organisations in these fields in Jamaica, with regular updates on performances.

10. Music

Reggae continues to command a large audience worldwide. Bob Marley remains a potent symbol for all age groups, the modern musicians of Jamaica continue to provide vital, interesting and informative music. The problem for those interested in Marley, reggae and the Jamaican music scene generally has been access. Apart from the obvious sites such as the Marley Museum, there are no guideposts on other aspects of his life, access to the lives of other well-known musicians or ability to see recording studios and live performances. The development of this theme should prove popular and provide a showcase for Jamaica's music industry. It should be linked to the proposals for developing the entertainment sub-sector, as described in Chapter IV above.

Guidelines on what can be included are presented in the Heritage Tourism Product Development Study. However, the development of the heritage trails needs further research and study before it can be finalised. There is a need to balance authenticity and heritage significance with market appeal. This requires co-ordination between the tourism and heritage agencies as well as the involvement of academics, particularly archaeologists, architects, historians and cultural historians.

5.6 The Framework for Developing the Built Environment

The priorities given to sites for development purposes cannot just be determined by the classification presented above of their heritage significance and tourism potential. Account needs to be taken also of the following:

- > Setting
- > Location, accessibility
- > Current level of development
- > Scale of development potential
- > Market catchment – overseas
- > Market setting – domestic
- > Policy context
- > Local support
- > Surrounding development

Attractions that are already well developed such as Dunns River and Firefly clearly do not need development assistance.

In arriving at priorities, perhaps the most important issue is scale. If the asset has the potential for developing a large, high profile site, by itself or in conjunction with others in close proximity, it is more likely to represent a draw for visitors, domestic and international. It is for this reason that the JNHT, the agency with statutory responsibility for the protection and conservation of the built heritage, has prioritised development on the basis of heritage zones.

The importance of a heritage asset is derived not only from its heritage significance but also from its presence in an area that contains a large number of the country's significant heritage resources. For example, the Port

Royal-Kingston-Spanish Town triangle is given high priority because of the presence in this area of very important examples of the built heritage that serve also to illustrate the country's history.

5.6.1 The Major Heritage Sites

Based on the application of the criteria listed above, there are four major priorities for the development of the built heritage for tourism purposes. These are:

1. Port Royal

The international heritage significance of Port Royal stems from its period as the base for Buccaneers in the Caribbean under Henry Morgan, when it was claimed to be the wealthiest and wickedest city in the New World. In 1692, the remains of the settlement were destroyed in an earthquake. There remains a large number of fortifications and naval establishments, dating from 1656 until the closure of the Dockyard in 1905. The sunken city is of interest to both archaeologists and the general visitor.

The Port Royal site has great potential due to its dramatic setting at the entrance to Kingston Harbour with excellent views of Kingston's waterfront setting and the Blue Mountains behind, together with the scale of the site. The story of Port Royal has international and domestic appeal and therefore a range of heritage experiences could be provided.

The site has been a developmental project for the last 40 years, which has involved numerous attempts to raise finance for its development.

The current plan put forward by the Port Royal Development Co. Ltd, the Port Royal Heritage Tourism Project, aims to develop Port Royal as a sustainable historic and cultural Jamaican heritage site and cruise ship port of call. Stage 1 of the plan includes:

- ▶ Declaration of the Palisadoes Strip, Port Royal and the quays as a protected area;
- ▶ Development of a historical Master Plan to guide development;
- ▶ Construction of a Cruise Ship pier;
- ▶ Restoration of a number of historical and other buildings for museums and commercial purposes;
- ▶ Improvement in infrastructure and services, including a new water supply, waste water treatment and disposal, upgrading roads, establishing a health centre, upgrading the ferry pier facilities, fire services and police station.

Community involvement and generating direct benefits for the people of the town is a central element of the proposals. This includes establishment of a community based organisation to spearhead environmental management and community development projects; establishment of an adult and child learning centre; to improve existing housing and building new units; upgrading sports and recreational facilities. The community-based organisation and the learning centre have been established already.

The problem with implementing the project is its high cost, estimated at around US\$75 million for direct expenditure and up to US\$100 million if the cost of related infrastructure is included. Expected sources of funding have been identified, however, equity and loan finance are now required urgently as the initiative is reaching a crucial stage. Prospects for the initiative look favourable, as GOJ has committed to provide funds to help raise finance for the project and is to allow the project to retain the cruise ship tax to cover financing costs and to provide a return. Advisers have been appointed to undertake the private placement of equity and major development finance institutions have expressed an appetite for both equity and loan finance.

But a finite time-scale of six months must be set for the current initiative. If in that time, the finance required

is not in place, a scaled-down alternative should be progressed immediately, the cheaper version would not involve the building of a cruise ship pier or an underwater walkway to the Sunken City. It would use the old cruise ship pier at Kingston and ferry boats operated by local fishermen. The focus of the attraction would be the Old Naval Dockyard Area, Fort Charles and the Old Naval Hospital that would, as planned, serve as a museum.

2. Spanish Town

Spanish Town, just outside Kingston, has an extensive history of Spanish occupation and was established as the Jamaica’s capital city by the Spaniards in 1534. Much of the town was burned in 1655 by conquering English troops. However the English later played a major role in rebuilding the town and building some of the



>> Spanish Town Square – House of Assembly

monuments that have survived until today, including the cathedral in Spanish Town Square, which stands on the site of a Spanish Chapel destroyed by Cromwell’s army. The present building is the second oldest foundation on the island.

In the square, one can see the façade of ‘Kings House’ destroyed by fire in 1925, a statue of Rodney that was sculpted by Bacon, the remains of the Court House, the Folk Museum and the National Archives.

Currently the Rodney Memorial is being restored. This is a UDC project with assistance from the EU. UDC has plans for the wider development of Spanish Town. Spanish Town has been a candidate for being declared a world heritage site. In conjunction with Port Royal and the historic sites and architecture of Kingston it could represent a major heritage attraction.

The development of both Port Royal and Spanish Town is of vital strategic importance to the tourism industry. The development of the Port Royal-Kingston-Spanish Town triangle of history would serve to complement the primarily sun and sand tourism offered by the north coast resorts. Though no single asset in the triangle would constitute an international attraction in its own right, the combination of so many interesting and important historical sites in a tightly-defined geographical area would be sufficient to attract the visitor to Jamaica wishing to combine sun and sand with heritage tourism.



>> Old Kings House – Spanish Town Square, St Catherine

The main market would be cruise visitors, either through the new cruise terminal to be established at Port Royal or by using the existing pier at Kingston. If a new pier was established, at Port Royal, it could potentially draw huge numbers of cruise visitors as projected in the Port Royal Development Company Limited (PRDCL) business plan. If the existing pier at Kingston were used, the numbers would be much lower to start with because of concerns amongst the cruise lines over visitor harassment. But with careful planning and management, the numbers could rise to rival Ocho Rios as Kingston can offer a wider variety of visitor experiences,



>> **Rodney Memorial Building**
Spanish Town Square

including access to beaches. Though the harbour is polluted, there are excellent quays for swimming which visitors could be taken to by boats that are operated by local fishermen.

In addition to large volumes of cruise tourists, the triangle is capable of attracting a sizeable proportion of stop-over visitors, particularly if the road links between the north coast and Kingston are improved as a result of the Highway 2000 Project.

3. Falmouth

Of all the historic towns in Jamaica, Falmouth has greater scope to develop its distinctive built heritage into an internationally attractive heritage site. An active market town, it retains much of its character from its past as Jamaica's foremost port for molasses, rum and sugar. It served also as an important slave port and has been included in the United Nations Educational, Scientific and Cultural Association (UNESCO) slave route project.

The town's history lends itself well to an interpretative museum of slavery that could be linked to the subsequent struggle for emancipation exemplified by the Maroons. In addition to the built heritage, the town is the gateway to the Cockpit Country, which is itself an attractive natural attraction and contains Accompong, one of the two main Maroon villages. Parallels have been drawn between Falmouth and Williamsburg in Virginia, which was so successfully developed as a tourist attraction.

The town has been the site of several projects to preserve its architecture. A pre-feasibility study was commissioned and its results were favourable. Currently this is a UDC project.

Falmouth is ideally located on the north coast between the two major resorts of Montego Bay and Ocho Rios and is itself only 25 miles from the airport at Montego Bay. The strategic significance of Falmouth for tourism is that it would be an internationally recognised heritage asset easily accessible to the majority of sun, sand and sea tourists that visit the north coast.

4. Seville – St Ann's Bay

The international heritage significance of the site of Seville la Nueva, now incorporated into the Seville Heritage Park, is that it represents the starting point of modern Jamaican history, the first significant encounter between the Old World and the New with the landing of Columbus in 1494, the site of the first Spanish capital and one of the first Spanish settlements in the New World, the site of a Taino village and the remains of an extensive plantation with African village.

Apart from the Columbus connection, the first Spanish settlement of Seville la Nueva was built here in 1509 by the first Spanish Governor, Juan de Esquivel. Since the late 1930s, when the first stone carvings were dis-



>> **Spanish Town Square, Kings House, Assembly Bvd, Rodney Memorial**

covered by the overseer at Seville property, there has been recognition that this site was of major importance to Jamaica’s history.

The Maima-Seville site has been the subject of studies by UNESCO in 1986 and a team led by Gilmore Hankey Kirke in 1991, commissioned by the UDC. The plan envisages a historical theme park concept, including a state of the art multi-media exhibit with audio-visual show and ride-through exhibition. After experiencing the exhibition, the visitor would explore the site on foot or via rides. Throughout the site there would be reconstructions from different eras and re-enactments, along with opportunities for recreation and shopping. The re-enactment concept seems ill conceived, particularly where plantation and household slavery are two of the areas covered. There are, however, within the report but outside of the central proposal, several valuable studies that could inform future plans. These are: a study for the upgrading of the town of St Ann’s Bay, technical appraisals of the site’s archaeology and landscape, and a survey of existing structures. Interest has been shown in the past by the Spanish Government to support the development of the site and private developers have also expressed interest.

Seville, apart from its huge historic significance, would serve the purpose of offering a real alternative to Dunns River Falls for cruise and stop-over visitors to Ocho Rios. It would not only add to the Jamaican product, it would also help preserve another major national asset that is currently in danger from overexploitation.

5.6.2 Developing the Major Sites

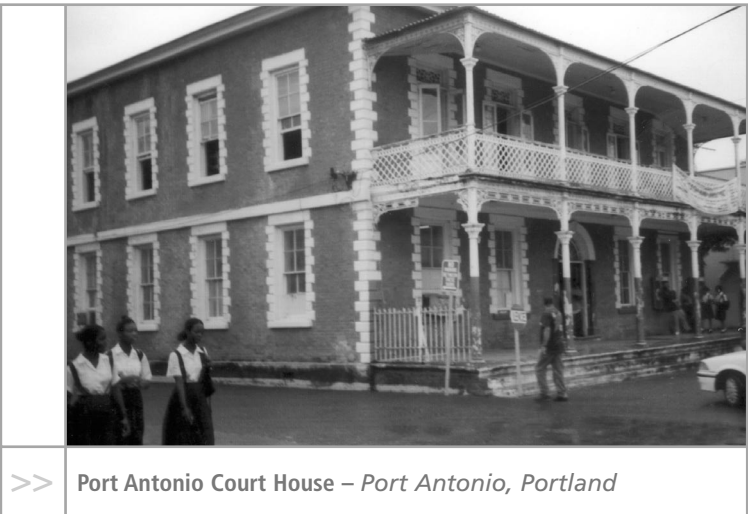
Responsibility for the four major heritage sites currently lies with the UDC and this should continue. The major projects require large financial resources and concern the use of government-owned lands and national assets. Their progress has to be entrusted to the country’s leading development agency.

Further, in line with current practice, each major project should be undertaken by a local corporation in which GoJ’s interest would be represented by UDC which would hold shares in the venture, in conjunction with local interests, other private

investors in Jamaica and international providers of equity finance. This is the model adopted for the PRDCL and recommended also for Falmouth. GoJ would vest land, building and other assets in the corporations.

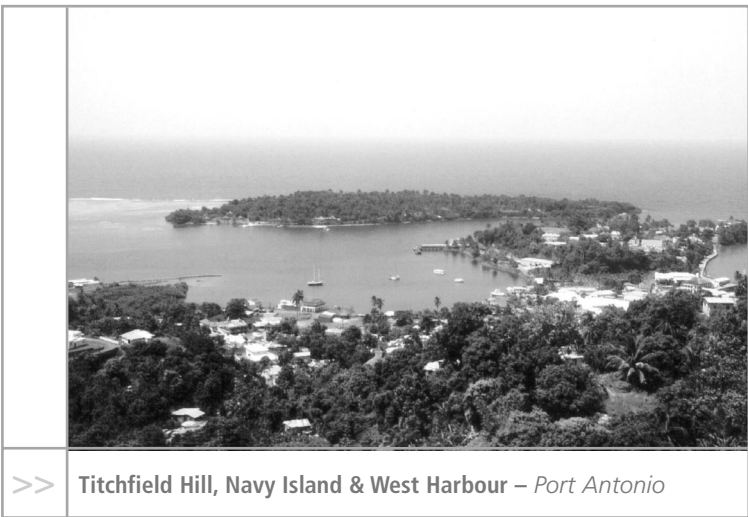
It is important that the corporations be registered locally, and have offices in the town concerned. They must invite on to their boards and offer a small equity share to local parish councils and CBOs that have been involved in the conservation and development of the asset up to now, depending on what they are willing to contribute. So, for example, in Spanish Town, the Spanish Town Historic Foundation and the Spanish Town Iron Bridge Foundation as well as the parish council must be invited on to the board, together with the local heritage foundation. The level of shareholding to be offered to each will depend upon what they are able to contribute in kind or cash to the project.

A high degree of local involvement in the development corporations, from the government and non-governmental sectors, should be a principle that cannot be violated. The failure to follow this principle will result in unsustainable tourism.



The investment required for each of the four major projects is huge, as follows:

- **Port Royal:** US\$75 million. With infrastructure, the cost is likely to rise to close to US\$100 million;
- **Spanish Town:** the restoration of major heritage assets is likely to require between US\$10-15 million, with ancillary upgrading of infrastructure and redevelopment of the town, this may rise to US\$15-20 million. US\$5 million has been secured already, leaving a financing gap of US\$10-15 million;
- **Falmouth:** the pre-feasibility study estimated the cost at US\$20-22 million with US\$8-10 million for the Museum of Slavery and Emancipation;
- **Seville:** The UDC study estimated a cost of just over US\$20 million some years ago. This may have risen to US\$25 million or so by now.



>> Titchfield Hill, Navy Island & West Harbour – Port Antonio

Thus the likely cost of the four major projects would be US\$120 million, of which the US\$75 million required for Port Royal would be raised mainly from the private sector. The other major projects will also need to raise a combination of equity and debt finance from external sources.

The above four projects may stand greater chances of realisation if they are scaled down significantly, and an incremental approach is adopted to their implementation. More realistic figures may be:

- **Port Royal:** US\$10 million using Kingston pier;
- **Spanish Town:** US\$5 million, focusing on conservation and restoration;
- **Falmouth:** US\$5 million, focusing on conservation and restoration, excluding the museum for the time being;
- **Seville:** US\$5 million, establishing a trail across the site with some interpretation and linking it to historic sites in St Ann's Bay.

For planning purposes, we have assumed that initially, an attempt would be made to raise funds to implement all four projects as currently conceived. GoJ should, however, plan to put in the lower amounts of money itself to seed the projects and thus hope to obtain finance from external sources, donors, international financial institutions (IFIs) and the private sector. If external funds are not forthcoming, the project could move ahead on the basis of the GoJ commitment made through UDC.

It is clear that the sums involved cannot be paid for out of the public purse and so funding will need to be raised from a combination of domestic and foreign sources. In general, obtaining financing for such major projects should follow the following course:

- (i) Seed capital to prepare plans and conduct feasibility studies should be obtained in one or two ways:
 - a) internal GoJ sources, including UDC itself, or b) donor assistance for studies and plans;
- (ii) Funds for protection and conservation should be sourced from a combination of GoJ (including UDC) and international funds and foundations such as the World Monuments Fund, American Express, the Getty and Rockefeller Foundations;

- (iii) Third party equity finance should be raised either through public issues in Jamaica or private placements through transparent tenders abroad, depending upon the nature of the project and its projected financial performance;
- (iv) Debt finance could be raised from the Jamaican development finance institutions, international financial institutions and/or the issue of bonds.

In each case, what is required is the preparation of information memoranda that can be presented to providers of finance, setting out the details of the project and development plans, ownership and mode of implementation, costs and benefits, and the financing plan for the venture. The information memorandum should be prepared by UDC in conjunction with JNHT, using the experts that have prepared the project plan.

The information memorandum must be approved by the board of the development corporation entrusted with the project, and so have local support. It should then be given to the PIOJ to raise with international DFIs and JAMPRO to help establish investment from the private sector (local and international) and the Ministries of Education and Culture and Tourism and Sport to raise interest amongst donors.

In raising finance, the critical issue that the information memoranda need to address is how revenues will be raised to pay the providers of loan finance and to reward risk capital. Where the project involves establishing attractions for which an entry charge can be levied or involve revenues from a tax, as is the case with Port Royal, the problem is comparatively straightforward to address: in the case of Port Royal, GoJ has agreed to hand over the cruise tax to the PRDCL. But in cases such as Spanish Town and Falmouth, the benefits of the project are only partly captured by entry charges. They will accrue in the form of visitors’ spending money in the various businesses that will be established to cater for the greater numbers of visitors.



>> Invercauld Great House – Black River, Portland

Capturing this benefit normally takes the form of higher property taxes. But in Jamaica, this is a less than perfect method. There are problems in raising property taxes and even if they increase, most parish councils are so hard pressed financially that they could not hand the increase back to the development corporation.

In Jamaica, financial viability can be achieved for projects such as Falmouth largely through the development corporation being vested land and buildings that it can redevelop for sale or rent. This makes it incumbent on the central and local government to vest the development corporation with attractive property assets.

Further, following the practice in many countries, government should agree to give preference to the development corporation in renting and leasing property for itself. This should help ensure a ready market for restored built heritage. In addition, agencies such as the JTB and JAMPRO, working with the industry associations, should help to market such property for ownership and rental by foreign and domestic investors in the accommodation sector.

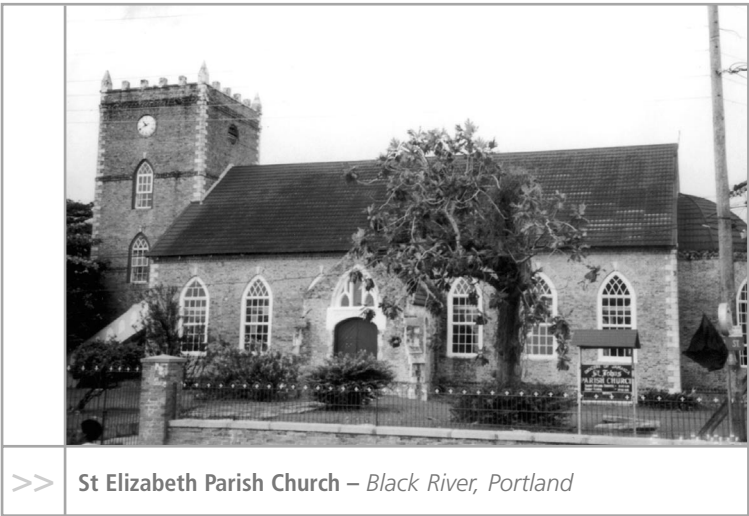
5.6.3 Towns and Villages of Culture

A number of Jamaican towns have the potential to become Heritage Tourism destinations because of their distinct cultural and historical interest. To preserve the authenticity of the experience while meeting the specific

needs of the visitors is both a challenge and an opportunity. Each of the historic towns could have a principal theme related to the town's history which could be used to develop the town as a 'heritage centre'. The designation of a town of culture should be made at a national level, provided the town meets pre-established criteria.

Possible towns of culture heritage themes are:

- ▶ **Black River – the first modern town in Jamaica.** Black River is the site of the first motorcar, and the first electric light. It has a very cohesive town architecture and distinctive fretwork built on the scroll saw which made fretwork easy;
- ▶ **Falmouth – 18th Century Society.** Evidence of the life of the plantocracy, of the history of slavery and the struggle against slavery would be included in the interpretation of this theme;
- ▶ **Lucea – the Breadfruit Port of Captain Bligh.** The Western Port, and of major importance in the entry to Jamaica of the Breadfruit, plans are already under way to develop cultural themes for the town along these lines;
- ▶ **Port Antonio – the Banana Industry.** The impact of the Banana industry in shaping the form and fortunes of the town would form the central focus of this theme;
- ▶ **St Anns Bay and Seville – the Encounter.** This town could represent the major cultural contributions and philosophies that have contributed to the formation of the Jamaican Nation and the people's psyche;
- ▶ **Kingston – the Capital and the Arts.** With the potential to be one of the important Art Centres of the world, Kingston needs to get its act together and reduce the crime, violence and ugliness that is now a part of the urban environment.



>> St Elizabeth Parish Church – Black River, Portland

The product development process would consist of the following steps:

1. Form pro-active committees. The co-ordinating committees would, whenever possible be drawn from the Parish Development Committee (PDC) to include representatives of the local parish council, JNHT, tourism agencies, utilities, the private sector, ENGOS, CBOs. They would work through the Resort Boards to develop project proposals and source funds.

2. Create Heritage Tourism Action

Areas (HTAA). Parish councils would be assisted by JNHT, the local Parish Heritage Foundation and TPDCo to designate Heritage Tourism Action areas within the town.

3. Identify seed projects through collaboration with PDC, TPDCo and JNHT.

4. Produce design guidelines: this would be undertaken by the committee using expertise from TPDCo in collaboration with the local planning authority.

5. Development of a Town Plan for HTAA: the plan would include infrastructure, restoration, landscaping traffic and parking, pedestrian ways, land use and signage, with specific projects identified.

6. Use the statutory approvals process. All planning and development within the designated areas would be referred by the Parish Councils to the JNHT Heritage Architecture Review Board.

7. Strengthen representation on the Parish Council, to include representatives of the local Parish Heritage Foundation and a representative from, or nominated by, the JNHT.

8. Modify the Parish Council Fee Structure. A portion of the fee paid for planning applications in Heritage Tourism Action Areas could be paid to the JNHT for their part in the administration and monitoring of projects.

9. Identify specific funds, project time-frames and completion targets.

10. Upgrade development planning control system and personnel.

11. Give JNHT a more pro-active role in Parish Councils. Setting development plan agendas with Parish Councils, either through engagement of specialist consultants/in-house staff.

12. Strengthen the Heritage Architecture Review Board's Role. Each parish should be assigned to a representative on the board and the Parish Council advisory counterparts encouraged to work through them.

13. Compulsory acquisition of neglected/abandoned heritage structures within HTAA.

All of the towns listed above that are possible candidates for towns and villages of culture have common areas that should be addressed. These are:

- ▶ **Sewage:** the water quality of the coast of the towns needs improvement, and should be a national priority. This should be part of the National Sanitation Policy currently being prepared. Funds from the Parish Infrastructure Programme run by GoJ could be used for this purpose.
- ▶ **Traffic management:** many of the towns will be affected by the North Coast Highway, either by bypassing the town or running through it, with demolition of historic buildings, fences and trees being proposed, and traffic volumes likely to split the town.
- ▶ **Pedestrian movement:** in most towns, pedestrian movement is difficult and the vehicular traffic seems to have priority. Proper sidewalks, shaded with trees where possible and squares reserved for pedestrians would add to the attractiveness of the town.
- ▶ **Parking:** off-street parking needs to be provided.
- ▶ **Waterfronts:** little planning has gone into the waterfronts of these towns and their potential to provide a valuable civic space for locals and visitors alike.
- ▶ **Markets:** these are permanent visitor attractions that require constant upgrading, and this should be combined with organisation of the stalls that adjoin the markets.

5.6.4 An Example – Port Antonio

Port Antonio has been studied as an example of a possible town of culture. The following presents information on its history and historic sites, an assessment of existing development plans, and an outline proposal.

History and historic sites

Port Antonio, the capital of the Parish of Portland, has retained its charm as a quiet rural township and is home to one of the most beautiful harbours in the Caribbean. Among its attractions are the neo-Romanesque Anglican stone church (1840) and the charming gingerbread DeMontevin Lodge (1881), now a popular guest-house on Titchfield Peninsula. Titchfield was the original name of the town and was the residential area for the rich and famous who visited the town; among these were J P Morgan, actress Clara Bow and newspaper magnate William Randolph Hearst.

Review of existing plans

The Urban Development Corporation has prepared a plan for the North Eastern Parishes, including Port

Antonio. The ultimate aim is to revive the town's status as the 'Flagship of Jamaican Tourism'. The plan includes:

- ▶ A 'Bypass' road to be created by in-filling a section of the West Harbour
- ▶ Expansion area for the town on the same area of fill providing for bus station, market service area, cruise ship pier, waterfront park
- ▶ Sewage disposal system
- ▶ Storm water drainage
- ▶ Improved water distribution
- ▶ Upgrading and expanding the market
- ▶ Constructing multipurpose meeting centre
- ▶ Upgrading streets and squares
- ▶ Providing a pedestrian route along East Harbour
- ▶ Providing off-street parking
- ▶ Improving recreational facilities
- ▶ Providing new harbour facilities
- ▶ Developing Folly as a national park
- ▶ Development of agricultural potential
- ▶ Redevelopment of Boundbrook Wharf
- ▶ Restoration of the railway between Buff Bay and Port Antonio.

The Prime Minister has backed the plan. A marina for yachts is the focal point of the development. The MOTS has announced that the harbour will also be developed for small and medium sized cruise ships. The Port Authority will be responsible for the development of the harbour.

Assessment

The vision behind the plans is that Port Antonio, sitting on two harbours against the backdrop of the Blue Mountains, could once again become a major tourism destination. The West Harbour fill and development and the East Harbour improvements are seen as essential to the achievement of this aim in providing the town a closer relationship to the sea and allowing for the berthing of boats of varied size close to shore. The critical objective for the success of the Plan is the development of a marina that is able to put Port Antonio on the international yachting circuit of the Caribbean. To ensure that this objective is fulfilled, it is recommended that the Port Authority attempt, with JAMPRO's assistance, to attract a foreign company to operate the marina. This could be either a company operating marinas in the US or Caribbean or a yacht charter company. The fact is that putting Port Antonio on the map requires a considerable amount of marketing that the Port Authority is not well placed to carry out, even with the support of the JTB.

Titchfield Hill is only mentioned as needing upgrading, but clearly the town centre proposals would be of importance to the vision of the hill being restored and developed as a historic district. Titchfield is a site of international heritage significance with primary tourist potential. Its restoration could make Port Antonio highly marketable as a destination for yachts and cruise ships and stop-over visitors. Its restoration should therefore be considered an integral part of the plan for the town.

The following table presents what a development strategy for Port Antonio would consist of.

>> Development Strategy							Needs Assessment
	Implementation Schedule	Programme					Human Resources
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
	Port Antonio / Titchfield Hill Historic District						
1	Improve/Strengthen Parish Council Capabilities						
1.1	Freeze on Further Town Centre / Titchfield Hill Redevelopment						Parish Council / TPD
1.2	Preparation of Town Centre Planimetric Sheets						Consultant Planning Group / Government Survey Department
1.3	Detail planning of Infrastructure Upgrading						Consultant Engineering Group / Government Public Works Dept
1.4	Surface Water Drainage Plan						
	Central Sewage System						
	Water Supply						
	Power & Telephone						
1.5	Preparation of a Public Transport & Parking Plan						Consultant Engineering Group / Government Public Works Dept
1.6	Staff Recruitment & Training for Parish Council						Planner & consultant Group
1.7	Planning Hardware & Software Improvements						
2	Preparation of Historic Restoration / Conservation Plan						
2.1	Designation of Historic District						Consultant Group / Jamaica National Heritage Trust
2.2	Designation of Listed Buildings						National Heritage Trust
2.3	Preparation of Design Guidelines for New / Redevelopment						Consultant Group / Jamaica National Heritage Trust
2.4	Development of Incentive Package for Restoration						Local & Central Authorities JTB & JNHT
2.5	Constitution of Monitoring Civic Body						Civic leaders & interested persons, JTB & JNHT
3	Urban Upgrading						
3.1	Implementation of infrastructure upgrading						UDC / Parish Council
3.2	West Harbour Waterfront expansion						UDC / Parish Council
3.3	Traffic management, parking & Public Transport plan implementation						Parish Council
3.4	signage						TPDCo / JNHT
4	Planning, Development & Implementation of Special Projects, Town						
4.1	West Harbour building upgrading						owners, Parish Council
4.2	East Harbour landscaping, walkway and jetty						UDC
4.3	Establish Interpretation Centre in restored town centre building						JTB, JNHT
4.4	Market upgrading						Parish Council
4.5	Police station building upgrading						UDC (under way)
4.6	Implement incentives re restoration & reuse of historic buildings						Central Authorities / JNHT
4.7	Boat tour/ferry						Parish Council / Port Authority

>> Development Strategy							Needs Assessment
	Implementation Schedule	Programme					Human Resources
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
5	Planning, Development & Implementation of Special Projects, Titchfield Hill						
5.1	Fort George research, display & guided tour						School / IOJ
5.2	Titchfield Hotel Site landscaping and beach/ dock development						UDC
5.3	Restoration and Reuse of Listed Buildings						owners / Civic Body
5.4	Walking Tours						Heritage foundation / school
5.5	Landscaping						Parish Council
6	Development of Tourism Support Facilities						
6.1	Media, Publications & Brochures						JIS / Media Houses
6.2	Bed & Breakfast Market						TPDCo – Training, Standards, Registration
6.3	Small Restaurant & Local Cuisine Market						TPDCo – Training, Standards, Registration
6.4	Gift Shop & Other Shopping						Consultant / TPDCo / Things Jamaican – Standards, Marketing
6.5	Security Services Training						JCF, JTB – Recruitment & Training
7	Community Support Service Development						
7.1	School's Local Tourism Heritage Programme						Heritage Clubs / JNHT / IOJ
7.2	Training for Tourism Support Service Sector						JTB

The Heritage Tourism Product Development Study by Anne Hodges contains details of plans for all the towns that could be designated towns and villages of culture.

5.6.5 Other Heritage Assets

Below the level of the towns and villages that are focal points of culture, there are parts of cities, towns and villages that contain heritage assets which could be developed for tourism purposes. These should form the subject of tourism development action programmes (TDAPs). Communities that have used their initiative to prepare plans for the preservation and promotion of heritage assets would be assisted with technical and financial assistance. Examples of possible candidates for such initiatives are Downtown Kingston, Sam Sharpe's Square Montego Bay, and so on.

There is a need also for support to be provided to community based initiatives. In Jamaica, there are a large number of community based organisations including, but not limited to the national heritage foundations, that are attempting to develop heritage attractions. As against commercial ventures, the benefits of such initiatives are shared with the community in which they take place, either by ploughing back some of the revenues to protect physical or social assets that will benefit the community or by providing services for the community. To qualify for this category, initiatives will need to demonstrate how they intend to benefit the community at large.

Supporting the development of heritage-based assets in a community based setting should be given priority. When such initiatives work, they illustrate well how heritage, which is a national resource that belongs to the people, can be used to benefit the people themselves. Further, it extends the principle of eco-tourism, whereby the revenues from tourism are used to protect and conserve the asset, to heritage tourism. However, it should be noted that the paradigm in this field is of the community-based organisation (CBO) attempting to manage a commercial or semi-commercial venture. Such projects often fail because it is difficult to develop a participatory organisation that also has good commercial acumen. The world over, the history of co-operatives is one of poor rates of success.

Therefore, we do not believe that community based initiatives should be restricted to those run by community based organisations. Groups of individuals or businesses co-operating would be eligible, provided they can demonstrate that parts of the revenue will go for non-profit orientated social investment and services in the community in which the project is based. Provided this criterion is met then the level of assistance should be greater than for commercial projects. Examples of community-based projects are the Kingston Restoration Company, the Spanish Town Historic Foundation, Yallahs and Trench Town.

Finally, individual heritage based products for commercial or semi-commercial returns should also be supported. The constraints noted in the chapter above for developing attractions are multiplied when it comes to heritage projects. The expertise to design an authentic experience, restore buildings and/or machinery and commercialise the restored asset in a way that will not lead to its deterioration are scarce skills in Jamaica. The access to finance is extremely limited. Heritage projects are even more risky than commercial attractions and less likely to be able to source, seed capital debt or equity. Marketing heritage projects is both costly and difficult because heritage projects need to be marketed both directly and through intermediaries and to both the specialist and general visitor.

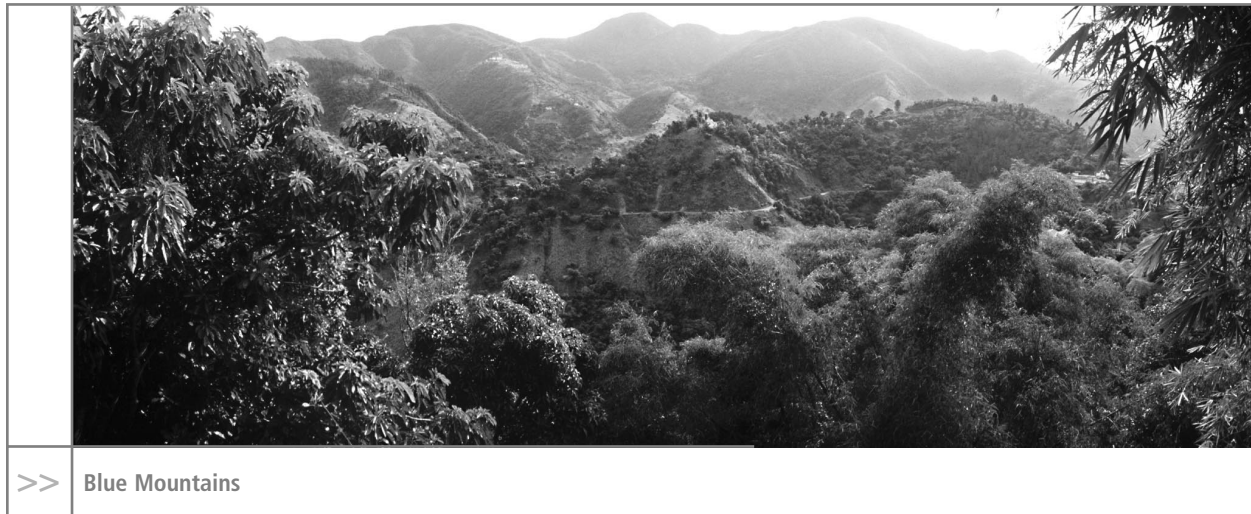
The critical issue for the development of the built heritage is authenticity. In Jamaica, applications for the development of heritage sites have to be made to the JNHT. In turn, the JNHT has established the Historical Architecture Review Board (HARB). The HARB consists of a group of professionals from the engineering, planning, architecture and heritage-related professions who are nominated by their professional bodies to the review board. The review board ensures that the historical integrity of structures to be modified is maintained.

It should be the practice in developing heritage assets for tourism that all projects are submitted to JNHT and HARB for approval prior to receiving assistance. This should apply as much to major projects of international significance such as Port Royal and Spanish Town as it does to individual commercial or semi-commercial developments.

5.7 Nature-based Attractions

The responsibility for the management of the environment and providing a framework for the conservation, protection and sustainable use of Jamaica's natural resources rests with the National Environment and Planning Agency (NEPA). This body has developed a system of national parks, protected areas and marine parks. An inventory of sites has been completed and 150 earmarked for protected area status and development for eco-tourism purposes. However, the development of these areas for eco-tourism or nature-based attractions is not currently being undertaken by NEPA.

The conservation and development of natural assets is the mandate of the Jamaica Conservation and Development Trust (JCDDT). JCDDT is dedicated to the effective integration of conservation and development through the promotion of sound environmental management, education and advocacy. It stresses the importance of participation by the community in the management of key resources and protected areas and their



use for community development and providing an employment alternative.

Two other organisations play an important role in the financing of conservation. The Environmental Foundation of Jamaica (EFJ) is a grant-making institution involved in the conservation, management and sustainable use of natural resources and in issues of child survival and child development. Its funds are obtained through a debt for environment swap that is arranged through a bilateral agreement between the Governments of Jamaica and the USA.

The Jamaica National Parks Trust Fund provides long term financial support for the Protected Areas System. The JNPTF has been financing the existing national parks and intends to give start-up support to other parts in the system.

Of the 100 or so attractions in the country, the vast majority are nature based. Water based attractions are most common, with a sizeable number operating water sports and several offering river rafting and boating, visits to falls and to other natural phenomena such as Roaring River, Blue Lagoon, etc. Visiting sites with rare fauna (alligators, birds) or flora (ferns) are also popular.

Despite the number of government and non-government agencies, the development of nature-based attractions in Jamaica is poor. The single largest visitor attraction, Dunn's River Falls, attracts over 80,000 visitors per month at its peak. It operates well above its carrying capacity and there is evidence of problems of water quality and erosion of the Falls. UDC, which owns and operates the site, has created an environment around the Falls that is not in keeping with the Falls themselves.

This national heritage asset is being degraded and there is urgent action required to reverse this trend. Two measures are of critical importance:

1. The development and implementation of an environmental management plan for the whole site, starting with the watershed and ending in the sea. As the site is owned by UDC, there is no reason why the site cannot be protected effectively. The principle of eco-tourism is to use revenues from tourism to protect the natural asset. This must be followed by UDC;
2. The use of pricing to ration the number of visitors during peak arrival times of the cruise ships. The current charge of US\$6 for foreigners must be increased several times to achieve price-based rationing. No doubt there will be complaints from the cruise ships but if the case is made on the grounds of the preservation and conservation of a national asset, they will come to terms with the charging policy if not accept it. Prices for off-peak visits and for Jamaicans can be kept low in the interests of encouraging domestic use of a national asset.

The large number of other nature-based attractions are, with few exceptions, poorly visited and do not maximise their potential in terms of the product on offer. Many are loss making, unable to service loans. The result is that not only is the visitor experience poor, but the sub-sector fails to attract the investment required to develop new, better attractions. Lenders view the whole sub-sector with scepticism because its track record of profitability is so poor.

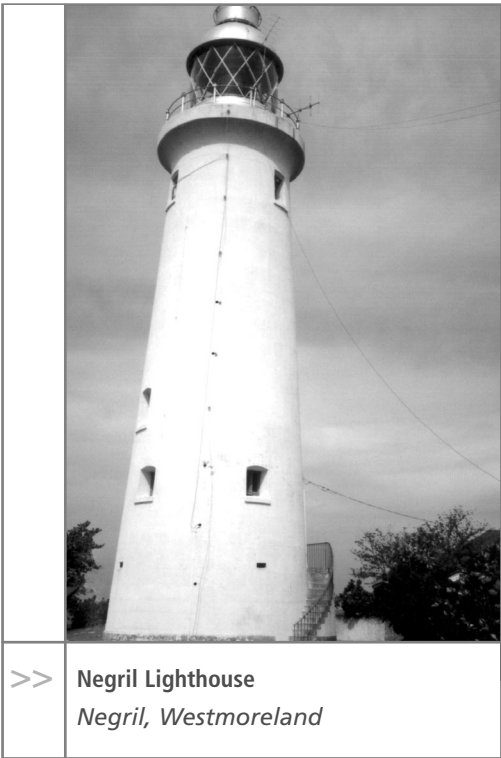
Their development depends upon providing expertise and finance for the following:

1. The design of visitor attractions that are in keeping with the natural environment and assist with the appreciation of the natural beauty in an unobtrusive manner. The dogmatic use of building standards developed for man-made attractions must be stopped. New building standards must be adapted that ensure visitor safety but allow materials to be used that are in keeping with the natural environment.
2. The provision of educational material that would allow the visitor to understand and interpret what is on offer and so develop a respect for the site.
3. The marketing of the asset in an authentic and interesting manner so that it appeals to both the specialist and the general public. The focus should be to include the attraction in tours and packages that would be of interest to visitors that would appreciate the natural attributes of the site.
4. Providing assistance to NGOs and CBOs in managing the attraction. There are many NGOs and CBOs that attempt to follow the eco-tourism principle and develop natural attractions with a view to ploughing back some of the revenues into the conservation of the asset. However, in large measure, their attractions are often poorly managed failing to provide an attractive visitor experience, operate efficiently, price the product competitively or manage financial resources effectively. Their marketing also leaves much to be desired. They need technical assistance to market and manage their attractions effectively.
5. The provision of long-term finance at affordable rates of interest so that financing pressure does not lead to unrealistic and uncompetitive pricing.

The priorities should be to assist the important national parks, marine parks and protected areas in order to make them closer to becoming self-sustainable, as these are the most important national assets. They need to be set up along the principles of eco-tourism so that a proportion of the revenues they generate from tourism are used to protect and conserve the asset. For the marine parks, it is vital that the revenues from beach licenses in their area be ‘hypothecated’ so that there is a direct correlation between the fees paid and the protection provided to the environment.

This is not to say that the national parks must operate commercial ventures. Rather, CBOs, NGOs and the private sector should be incentivised to run attractions and offer guiding and other services under licensing and franchising arrangements with the parks.

The TPDCo and JTB must be tasked to work with the major natural and marine parks on programmes of product development and marketing. With the guidance of the NEPA, they need to be helped to identify and take advantage of commercial opportunities. This will involve a combination of product development, human resource development and marketing.



5.8 Culture-based Tourism

Jamaica is very fortunate in that its culture is still alive and reproducing itself. That culture has given rise to expressions in modern form which have proved internationally attractive, including Reggae, film, dance and so on. Jamaica also boasts an excellent legislative framework to preserve and promote Jamaica's culture through the Jamaican Cultural Development Commission (JCDC).

Unfortunately JCDC has ended up being limited to promoting the annual festival, which is an excellent avenue for identifying talent but does not serve as a commercial showcase for Jamaica's culture. For this reason, Jamaican artists, particularly in the folk tradition, complain of neglect, including a lack of venues to present their art. Because of JCDC's problems, events such as the Jamaican Carnival have ended up being organised by the private sector.

'Things Jamaica' was established to promote crafts but at present, does little more than selling crafts at airports and at Devon House. The quality of crafts produced is slowly falling, and many items are now imported and what is on offer reflects neither traditional skills nor good value for money.

The major immediate needs are:

1. To increase the number of festivals and events that have a cultural content. Events should not just be about food, but should also showcase the folk culture of Jamaica. There should also be showcases for music, dance and the visual arts.
2. A facility is required whereby the tourism industry comes to understand what is the cultural expression on offer in Jamaica. This would involve a programme to be run by TPDCo, in conjunction with the JCDC to sell Jamaica's cultural products to the tourism industry, hoteliers and tour operators.
3. A programme is required for crafts. This would include a) improving available skills and raw materials, b) exposing Jamaican crafts producers to international trends by sponsoring them to take part in international craft fairs, c) providing better venues to sell handicrafts than the current crafts market, and d) craft vendors would be trained in marketing and product design.



As set out in Chapter III, the JTB's festivals and events budget should be increased. The additional sums should be used to develop a greater variety of festivals and events to showcase all of Jamaican culture and distribute them across the country. The Jamaican Carnival needs to be expanded to make it a truly national event that also showcases culture. As this is a private sector endeavour, the JTB will need to use its own funds to provide an incentive to the organisers to expand and increase the cultural content of the Carnival.

The Cultural Heritage Study suggests that expanding participation of revellers by supporting costume design and holding a song competition would make the Carnival more inclusive. The tourism industry should also work with the organisers, through sponsorship, to increase participation in the three major resorts. The Resort Boards would need to co-ordinate the industry's effort.

Festivals and events are important ways of involving local communities. The selection of festivals and events for sponsorship by the JTB should take on board the strength of local commitment and initiative. JTB needs also to liaise with the JCDC on selection criteria.

Festivals and events have an important role to play in the preservation of the built environment. The holding of festivals and events adjacent to heritage sites could help provide income for those sites. JTB needs to co-ordinate with JNHT in this regard.

The JCDC has a register of community groups that present folk dance, music and traditional cuisine. Working with the JCDC, TPDCo should start to expose Jamaican hoteliers and tour operators to these groups, arranging for venues for performances to be held in the various parishes. The themes and trails dedicated to culture and music should also help in this regard.

The tourism industry will need to be educated on how to stage cultural events as, in the past, Jamaican artists have complained of a lack of sensitivity on their part. However, when artists have combined with sensitive hoteliers, the product delivered has been excellent.

5.8.1 Craft Vendors and Crafts

There are nearly 2,000 craft vendors and their assistants working in 15 craft markets in the four resorts of Montego Bay, Ocho Rios, Negril and Portland. There are also other informal craft vendors as well as smaller sites from which crafts are sold.

The retailing of crafts is the most visible end of a much larger craft industry, most of it located in rural areas. Though reliable estimates are not available, it is reported that several tens of thousands of people work to produce crafts, frequently on a part-time basis, with only the most successful making it their main source of livelihood.

The Ministry of Tourism has instituted a programme for developing new, attractive craft villages. An initiative to upgrade markets is essential and worthwhile. However, work is also required to improve the merchandising skills of craft vendors, and the range, appeal and quality of craft items.

The Jamaica Business Development Centre is the main government organisation involved in craft, training and development in Jamaica. The Centre provides development support and marketing services for craft producers, and operates Things Jamaica retail outlets at the International Airports and at Devon House. HEART/NTA is concerned with training craft instructors. SDC also offers training for craft vendors and craft producers in the tourism sector. These organisations need to pool their resources to:

1. Revive the provision of training in crafts. The training centre which operated in the past was a useful way of improving skills and techniques and also helped develop new product ideas. The centre should be staffed by international and Jamaican trainers;
2. Assist selected craft producers with obtaining greater exposure to international craft fairs and craft exhibitions held in Europe (particularly Germany) and the USA which feature a wide variety of international sources;
3. Establish an exchange programme with Haiti to invite their artists and craftsmen to work with Jamaican producers and/or to enable Jamaican producers to visit Haiti to train with their artists and crafts producers;
4. Commission leading Jamaican craftsmen to develop products which can be made economically by people with lesser skills and disseminate these designs;
5. Use Jamaican and international merchandising experts to train craft vendors.

The development of crafts has been vigorously supported by various United Nations agencies including UNITC, UNDP and UNIDO. In addition, the European Union runs large craft programmes for ACP countries for which Jamaica is eligible for support.

To elicit support from these agencies, what is required is for the two agencies, JAMPRO and 'Things Jamaica', to combine their expertise to prepare a project proposal outlining the scale of the craft industry, its opportunity and the conceptual framework for its development. A recently prepared report on the craft sector is, we understand, now available and could form the basis of the submission. The Ministry of Tourism could then approach international donors to finance the programme. A sympathetic donor response is likely.

However, as total reliance on donors is dangerous, a sum of US\$200,000 per annum has been provided to TPDCo to help the organisation progress the development of crafts. The sum should be used to develop craft markets, sponsor trips to fairs abroad, facilitate training and skill development and develop new products, by working together with JAMPRO, Things Jamaica and the UDC in developing craft markets.

5.9 Building Local Ownership

The culture/heritage product development study has prepared an inventory of natural, built and cultural assets that may be developed. These are reproduced in summary form on the following pages. However, it must be remembered that for tourism to be self-sustaining, local communities must have a say in the process of developing heritage products. It is for local people to define which heritage assets should be developed, what themes should be used, the communities that should be involved, as well as in developing and presenting products. The rationale for this is that the local communities are the hosts for visitors and they must decide what they wish to present to them. This is the starting point of sustainable development, where the product reflects local aspirations and its success is determined greatly by the extent of local ownership.

The organisations that should be involved in formulating and putting across local interests in this process are the Parish Development Committees, which have been formed by the Social Development Commission and are responsible for poverty reduction and community development. They should be involved in the establishment of parish sub-committees of the resort boards (see Chapter VII). These committees would be made up of representatives of the parish council, the heritage foundations, JNHT, NEPA, JCDC, NGOs, CBOs, Chambers of Commerce and so on, and would be serviced by JTB and TPDCo. These committees would prioritise the development of attractions within their parish and take the lead in the definition of the heritage experience that they wish to offer the visitor. JTB would assist them to market the Parish through its resort marketing programme.

5.10 Support for Product Development

The critical issue for the development of culture/heritage tourism products is to establish institutional frameworks and financing mechanisms that facilitate implementation. The very slow progress that has been achieved up to now has resulted mainly from the lack of a clear institutional framework and the failure to identify financing mechanisms.

The institutional framework must bring together the large number of agencies and organisations active in this field. It must also provide for accountability, so that a single organisation can be held accountable for progress on major products and initiatives. The way to ensure co-ordination is to establish a high level inter-ministerial committee, under the tutelage of the Development Council or Cabinet itself, which would comprise ministers or their representatives from the following ministries or agencies:

- Education and Culture
- Environment and Housing

- ▶ Tourism and Sport
- ▶ Finance and Planning
- ▶ UDC
- ▶ PIOJ
- ▶ JHTA and AJAL

This inter-ministerial committee would be concerned with policies, setting priorities and agreeing targets, resource mobilisation and monitoring and evaluation. It need meet only at six-monthly intervals. It would form one of five Master Plan sub-committees, as described in Chapter VIII below.

5.10.1 The Heritage Fund

For smaller projects, there is a need to establish in Jamaica new structures to provide technical and financial assistance.

1. Technical Assistance

Currently, there is a lack of specialised expertise in the development of heritage tourism products. UDC, which is undertaking the major projects in this field, is short of project design expertise. JNHT, NEPA and JCDC also lack expertise. It is recommended therefore to establish a Heritage & Community Support Unit within the TPDCo, to consist of a director of the unit, together with a professional staff of six individuals which would comprise:

- ▶ A specialist in the built environment
- ▶ A specialist in eco-tourism
- ▶ A specialist in the arts and culture
- ▶ An architect with experience in the conceptual design of heritage attractions
- ▶ A community based attractions specialist
- ▶ A financing specialist

The unit would provide technical assistance for the development of products to government agencies, NGOs, CBOs and the private sector. It would serve not only to provide advice itself, but also to act as a point of access to national and international expertise in the above fields. For example, if someone is seeking to restore a Georgian building, the unit might help to locate an architect with the relevant experience, provide advice on international sources of grants and put the sponsor in touch with international organisations concerned with conservation.

2. Financial Assistance

The best means of channelling appropriate funds to local projects would be through creating a Heritage Tourism Development Fund. The Fund would be financed from a number of sources:

- (i) a proportion of the proposed increase in indirect taxation of the industry (described in Chapter IV), when that takes place;
- (ii) a contribution from government;
- (iii) donor support, for example from the EU and USAID, including the possibility of a 'Debt for Heritage Swap' similar to the Environmental Foundation of Jamaica (EFJ);
- (iv) international grants.

Details of the financing of the heritage fund, along with the rest of the Master Plan, are provided in Chapter VIII.

The fund would have five windows, as follows:

A. Towns and Villages of Culture

The window would provide a grant contribution to the cost of capital for developing towns and villages of culture. The window would be run along Challenge Fund principles whereby an open, annual competition would be held to select one town or village that would receive up to US\$2 million in grant aid.

The selection would be on the basis of the following criteria:

- ▶ Numbers of visitors and tourism receipts to be generated
- ▶ Significance of heritage assets
- ▶ Degree of local support, including local authorities, businesses, community organisations, heritage foundations, ENGOs, etc
- ▶ Degree to which local funds have been mobilised to counterpart monies from the Heritage Fund
- ▶ Quality of the plans proposed.

The aim would be for the heritage fund to provide between 50%-80% of the total cost of the proposals. The criterion of raising money locally to demonstrate commitment has to be observed.

B. Tourism Development Action Plan Areas

Funds provided under this window would also be disbursed on a Challenge Fund principle. The criteria for selecting recipients would be identical to that for Towns and Villages of Culture. The only difference would be the area covered by the grant and the size of the award.

This is a facility meant to assist communities and localities in a town or city or a small village to help develop an area for tourism. Hence, the facility would be used to conserve and develop a heritage asset and the area surrounding it. Historic squares or districts, waterfront promenades, areas adjacent to natural attractions, and so on are the intended beneficiaries.

The maximum size of the grant would be US\$500,000 representing no more than 80% of the total cost of the project. Thus it would facilitate significant and sizeable projects to be undertaken. Up to three areas would be selected annually.

C. Community-based projects, including eco-tourism

This would provide grants for seed capital of up to US\$50,000. To be eligible to receive a grant, organisations would typically be either CBOs or ENGOs, as these organisations face difficulties in raising finance for seed capital. However, groups of businesses would also be eligible, provided they can demonstrate their contribution to the community.

Projects would have to fulfil either a) the community based tourism principle, that is, a proportion of revenues would be used to fund infrastructure and/or services to the community, or b) the eco-tourism principle, that a proportion of the revenues from the project would be used to preserve assets or to benefit the community in other ways. The amount of revenue ploughed back would be at least 5%.

Loans would also be available for up to 100 projects over the lifetime of the Master Plan. Projects would have to meet the standard viability criteria set by Jamaican DFIs. The maximum debt to equity ratio would be 1:1. The maximum loan size would be US\$0.5 million but it is intended that the average size be around

US\$100,000. The term of the loan would be up to 10 years.

D. Private sector projects

This would be a loan facility intended for individual companies seeking to develop a heritage tourism asset. The ceiling for individual loans could be up to US\$0.5 million, however it is anticipated that the average loan value would be in the region of US\$100,000. The aim is to fund up to 50 heritage projects on the same loan terms and criteria as for community projects.

Projects would clearly also have to meet standard viability criteria set by the DFIs.

E. A matching grant facility for technical assistance

A matching grant facility would be provided for technical assistance in project design, planning, marketing, training on how to manage heritage attractions, as well as financial management.

The Heritage & Community Unit within TPDCo would manage the facility. The facility would be available for the private sector as well as CBOs and ENGOs as long as the applicants are willing to bear a proportion of the cost of the technical assistance. The minimum contribution would be 20%, but it is more likely that the average contribution would be in the region of 50%. This contribution would be paid in advance.

Technical assistance would be sourced by the TPDCo from both international and local sources, with the recipient given the final say in who provides the assistance from a panel selected by TPDCo. Up to 100 projects would be assisted with 30 days expertise at a cost of US\$15,000 with the fund contributing half.

The fund would be deposited in one of Jamaica's DFIs that have a presence in Jamaica, which would then be responsible for disbursement and collection. The fund would have its own board of directors, who would be selected from the agencies involved (NEPA, JNHT, JCDC, etc) and chaired by a representative of the Ministry of Tourism and Sport. The board would have a small membership of around 10 to 12 members, and it would have the responsibility for making final decisions on all projects covered by the five windows outlined above.

The Heritage & Community Tourism Unit would have responsibility for being the point of application for all assistance, and acting as a secretariat to the fund. It would monitor project progress and report to the board on all approved projects.

The concept of a heritage fund is being pilot tested at present. The UK's Department for International Development (DFID) has earmarked funds to establish a challenge fund for the tourism industry of Jamaica. Using the facility for piloting the heritage fund appears in keeping with the donor's criteria as the Fund is expected to work on the challenge fund principle.

5.10.2 Heritage Themes and Costs

The cost of themes and booklets for the themes is provided for under JTB's budget. The cost of signage to sites and scenic routes, interpretative markers at sites and to improve lay-bys and stops on trails and scenic routes would be approximately US\$2 million.

5.11 The Enabling Environment

Jamaica has a sound framework of laws in place to encourage tourism development. No doubt there are some areas that require strengthening, and the Heritage Study provides recommendations in this regard that are worth examining. However, one of the causes of the poor response to these laws is that the agencies that have been charged with providing overall support to the tourism industry have suffered from a lack of resources.

The challenge is to build the capacity of agencies such as NEPA, JNHT and JCDC to perform their intended core functions of the preservation and conservation of heritage assets.

It is recommended that each agency:

- ▶ complete an inventory of the important heritage assets of the country;
- ▶ designate them as heritage assets so that they have legal protection;
- ▶ put in place plans for their conservation;
- ▶ carry out education programmes to sensitise the Jamaican public with regard to the importance of assets;
- ▶ provide training to the public and private sectors as well as ENGOs and CBOs in the protection, conservation and development of assets.

In addition to the major non-tax incentives for heritage projects that have been described earlier, tax incentives must also be provided. Most countries provide some tax incentives for the protection of heritage assets. These are often in the form of exemptions from corporation and indirect taxes, as is the case in the UK, where there is provision for accelerated depreciation and exemption from VAT.

The important point to bear in mind is that tax incentives for heritage projects must be at least as good as for the hotel sector, as community-based or eco-tourism projects are riskier given the greater difficulty of finding and capturing markets.

We therefore recommend the incentive regime for heritage projects include:

1. 100% exemption from all import duties and GCT for capital investment;
2. A 10-year exemption from corporation tax;
3. Exemption from land and other property taxes;
4. Exemption from charging on GCT on products and services and with the corresponding ability to reclaim all GCT paid to suppliers.

In order to be eligible to receive these incentives, the site or project must be designated a protected area by either JNHT or NEPA or, in the case of cultural projects, it should be on the JCDC's list of approved cultural activities. In the long run, it is essential that these lists are published so that there is no need for case-by-case approval.

The monitoring of the use of import duty and GCT exemption by heritage projects should be undertaken by the Heritage & Community Support Unit of the TPDCo in conjunction with Customs and Excise and the Ministry of Finance. The aim would be to ensure that there is no abuse and that the benefits are availed strictly by heritage assets and not for related businesses.

An important issue in this regard is whether cafés and restaurants and other visitor facilities on heritage sites are eligible for exemption, along with the heritage asset itself. One solution could be to make the whole site eligible for exemption, including catering and other facilities. The argument here would be that as long as the facilities are part of the site, they are integral to the visitor experience. This is a decision that would be taken by the Heritage & Community Support Unit in conjunction with the Ministry of Finance.

5.12 Conclusions and Recommendations

1. The marketing strategy for Jamaica will differentiate it from the vast majority of Caribbean islands on the basis of its outstanding natural beauty, culture, history and built environment – in short, its heritage. The development of the country's heritage assets is also vital for achieving the objective of sustainable tourism, as to be sustainable, tourism must reflect the history and culture of Jamaica and showcase the country's natural beauty. It would also serve to educate and inform Jamaicans and reinforce the pride they have in their heritage.
2. The four major heritage sites to be developed are Port Royal, Falmouth, Spanish Town and Seville/St Ann's Bay. These require large financial resources and concern the use of government-owned lands and national assets. Their progress has to be entrusted to the country's leading development agency. In line with best practice, each project should be undertaken by a local corporation in which GoJ's interest would be represented by UDC, which would hold shares in the venture, in conjunction with local interests and private sector investors. A high degree of local involvement in the development corporations, from the government and non-governmental sectors, should be a principle that cannot be violated. The failure to follow this principle will result in unsustainable tourism.
3. The investment required for each of the four major projects is huge. For example, the cost of implementing the development of Port Royal as a heritage site is around US\$75 million for direct expenditure and up to US\$100 million if the cost of related infrastructure is included. The way to raise such large sums is to vest land and other heritage assets in the local corporation and to mobilise investment from local and international DFIs and the private sector by preparing information memoranda. The critical issue that the memoranda need to address is how revenues will be raised to pay the providers of loan finance and to reward risk capital.
4. For Port Royal a time-scale of six months should be set for the raising of private equity finance and equity finance from the major development finance institutions. If in that time the finance required is not in place, scaled-down alternatives should be progressed immediately, with the cruise pier in Kingston repaired.
5. For smaller projects, new structures are required to provide technical assistance and finance. It is recommended to establish a Heritage & Community Support Unit within the TPDCo, which would provide technical assistance for the development of products to government agencies, NGOs, CBOs and the private sector. It would serve not only to provide advice itself, but also to act as a point of access to national and international expertise in the above fields.
6. The institutional framework for the protection, conservation and development of heritage assets should combine the resources of ministries concerned with heritage and tourism. Tourism's role should be to help commercialise the assets, working with the heritage ministries and their agencies to ensure authenticity. An inter-ministerial committee should be formed comprising concerned ministries and the private sector with the sponsorship of the Development Council.
7. The capacity of agencies such as to perform their intended core functions of preservation and conservation of heritage assets should be enhanced through a partnership with tourism. We recommend that each heritage agency complete an inventory of the important heritage assets of the country; provide legal protection; put in place plans for their conservation; carry out education programmes to sensitise the Jamaican public with regard to the importance of assets; and provide training to the public and private sectors as well as ENGOS and CBOs in the protection, conservation and development of assets. Tourism would contribute resources for priority assets.
8. A Heritage Tourism Development Fund should be created as a means of channelling funds on appropriate terms to heritage projects. The fund would be financed from a number of sources, including

any increase in indirect taxation, a contribution from government, donor support and international grants. It would have five windows: Towns and Villages of Culture, Tourism Development Action Plan Areas, community-based projects, private sector projects and a matching grant facility for technical assistance. Applications to the Fund would be processed by TPDCo and the final decision made by an independent board.

9. Tax incentives must be provided for heritage projects. These must be at least as attractive as those provided to hotels, as community based or eco-tourism projects are riskier given the greater difficulty of finding and capturing markets. We therefore recommend that the incentive regime for heritage projects include a 100% exemption from all import duties and GCT for capital investment; a ten-year exemption from corporation tax; exemption from land and other property taxes; and exemption from charging on GCT on products and services and with the corresponding ability to reclaim all GCT paid to suppliers.

The major policy measures recommended are as follows:

- ▶ In conjunction with the UDC, help establish locally based corporations for the major heritage projects with strong local involvement and ownership. The corporations should be assisted with the preparation of information memoranda to mobilise third party finance;
- ▶ Establish the principle of eco-tourism for all heritage projects so that each marine park, national park, built heritage project or cultural event charges a fee to visitors and ploughs back an agreed proportion of revenues for protection and conservation;
- ▶ Establish an inter-ministerial committee for heritage to manage a Heritage Fund;
- ▶ Introduce incentives for heritage projects at least as attractive as those provided for hotels.



The development of Jamaica's outstanding heritage assets will help to differentiate it from the vast majority of Caribbean islands.

Master Plan for Sustainable
Tourism Development

JAMAICA

>> Chapter VI:

Location Strategy
and Resort Development

VI Location Strategy and Resort Development

Physical planning is essential for sustainable tourism development. It helps to mitigate environmental damage, ensure mechanisms are in place for developing the wider tourism product and that the wider product is in harmony with local aspiration and conditions. The location strategy proposed aims to prevent the ribbon development of tourism along the north and north-west coasts because its consequences would be the degradation of the environment as well as social deprivation. It aims to concentrate growth of accommodation in the three resort centres and Kingston and in four smaller resorts. It is intended to focus resources for environmental management and mitigation on these towns to ensure that their carrying capacities can accommodate projected visitor numbers. It includes the dispersal of visitors throughout the Island through developing attractions and tours. In line with the National Physical Plans, it uses a two airport strategy with road improvements, including the north coast highway and Highway 2000, to make all parts of the country accessible from the two airports. The resort centres are to be developed through the concept of Resort Partnerships that brings together the UDC, parish councils, the utilities and tourism interests to forge partnerships between the public and private sector. Much of the investment for the rejuvenation of the resorts would be provided by the private sector. The public sector would invest alongside the private sector ensuring that social needs are met. The South Coast, Portland and St Thomas would feature low density tourism based on heritage attractions. Beach policy needs to be amended to allow hotels to set entry fees on the basis of cost of maintenance with the licence fee ring fenced to develop public beaches. The Planning system needs to be decentralised with resources focused on enforcement. TPDCo needs to become the champion of sustainable development, working with the NEPA to ensure that the location strategy is implemented effectively.

6.1 Introduction

As a major employer and source of economic activity, the location of tourism activities has a major impact on settlement patterns in Jamaica. The industry's location also impacts the need for infrastructure, civic and physical. There is a strong need, therefore, to plan the physical location of tourism.

In planning the physical location of the industry, account must be taken of the characteristics of each of the resort zones in terms of topography, tourism assets, current settlement patterns, social conditions and the aspirations of local people. This would help to ensure that the type of tourism developed is appropriate for local people and local conditions.

This chapter sets out the location strategy for the industry starting out with the rationale for the strategy; it then provides an overview of the strategy, the plans for the major resorts and the other resort zones. It addresses the vital issue of access to beaches and concludes with recommendations for organisational support, including the role of TPDCo, and policy changes required to implement the strategy.

6.2 Rationale for Strategy

Hotel accommodation in Jamaica is currently concentrated in and around the three main resorts of Montego Bay, Negril and Ocho Rios. However, there are few rooms in the resort centre itself. What is taking place is the development of the coastal strip near the resort centres, with a line of hotels extending along the coast. This is because, in the absence of attractive resort centres, the most important criteria for the location of accommodation in Jamaica is access to a beach.

Thus, hotels and other accommodation are gradually being located along the north coast between Montego Bay and Ocho Rios, and there is a trend of hotels being located north from Negril. After the north coast highway is built, it is possible that hotels could be located along the whole of the north-west and north coasts of the Island. The above scenario of what would essentially constitute ribbon development along the north coast highway is a recipe for perpetuating the enclave development of the industry. With no resort infrastructure to call on, these hotels would have to be all-inclusive.

More importantly, the current pattern of development is unsustainable and will lead to environmental and social degradation. This is because the employees of these hotels would not find it economical to live in the resort centres. As they would be working increasingly long distances away from their own homes, there is a strong possibility that employees would end up living in small communities nearby the hotels.

It would be unlikely that these small communities would have adequate access to public services such as solid waste disposal, sewage and piped water. Nor would they be likely to have adequate access to social infrastructure such as schools, hospitals, recreational amenities and other civic facilities. Consumer expenditure by the employees would lead to additional inward migration with the result that there would be a substantial increase in the numbers of people living in poor conditions without adequate access to basic infrastructure.

To provide an indication of the significance of such developments, given the fact that the staffing ratio in a typical all-inclusive resort is approximately 2:1, a 400-room hotel would require a staff of 800, most of whom would have 5-7 dependants. Thus the building of a hotel with 400 rooms could cause the population of a small community to increase by 4,000-5,000 in the first instance and second round effects could add a further 2,000-3,000. Without major investment in physical and social infrastructure, the result could be that the host community, with a population unlikely to exceed a few thousand, would be overwhelmed.

Therefore, even if the hotels themselves treated their sewage to very high standards and adopted world class environmental management systems, the net effect of this development would be severe environmental damage. The lack of sewage and solid waste disposal in the communities would cause strong environmental damage and social conditions would deteriorate sharply. Furthermore, the number of road trips to and from the hotels and to and from adjacent communities would rise, adding to road congestion and air pollution.

With such a location strategy, attempts by government to mitigate environmental damage and improve social conditions would prove expensive. Providing utilities and social facilities for a large number of small, scattered communities will cost more than if the same number of people were living in larger towns.

The three resorts have all been the subject of investment recently in the utilities. Although they are by no means adequately served with social and physical infrastructure, they have the basic infrastructure in place so that, with additional investment and better enforcement of environmental protection measures, they could absorb additional rooms.

To prepare this location strategy, with assistance from the Commonwealth Secretariat, the Ministry of Tourism commissioned a study of the carrying capacities of the three resorts. That study defined the concept of carrying capacity as a planning decision aiming to maximise additional growth subject to a set of multiple constraints including, social and physical infrastructure, the availability of suitable land and the environment.

The Tourism Master Plan: Carrying Capacity Study funded by the Commonwealth Secretariat and prepared by Desmond Hayle & Associates Limited confirmed that, subject to significant additional investment in social and physical infrastructure and far greater resources for the enforcement of environmental management systems, it is possible to increase the number of rooms in and around the resort centres substantially. The Study should be consulted by those seeking additional information to that presented in this chapter on the sustainable development of the three major resorts.

In planning the location strategy, we have been guided by the principles underlying the National Physical Plans developed for the country. Both these plans worked on the principle of establishing a hierarchy of resorts:

- ▶ **Resort centres with more than 2,000 rooms each.** These were to be developed to provide a range of housing, social amenities, commercial and recreational facilities alongside the development of tourism. These would be sizeable towns with good physical infrastructure – including sewage, water and electricity.
- ▶ **Resorts with between 500-2,000 rooms.** These would be resorts that have limited physical and social infrastructure and commercial and recreational facilities, depending on the extent of their local (non-visitor) populations.
- ▶ **Undertake tourism within the community.** The description used was camp sites but the purpose was clear. The objective was that in these small locations, visitor numbers would not be sufficient to change the character of local communities.

In addition, the Plans identified a number of towns as constituting important attractions. These included all the towns listed in the previous chapter as international and national centres of heritage.

The structure of resort centres, resorts and tourism within communities, allied to major attractions chosen for their ability to draw visitors, remains valid today. The location strategy for the industry in this Master Plan thus follows this structure. However, in the interest of allowing the visitor to experience the rich and varied heritage of the country and to spread the benefits of tourism to other parts of the country, it is intended to disperse the development of heritage sites and attractions. It aims, therefore, to benefit from the advantages of concentration and dispersion with a geographically concentrated accommodation sector but a dispersed attraction sector. This should benefit also the ancillary industries of tours and ground transportation.

Unlike the National Plans that were not implemented, this Master Plan sets out in section 6.9 below how the location strategy should be enforced. It must be emphasised, however, that in Jamaica, the main cause of sensible planning not being implemented is not the system of planning itself, though as noted in the Diagnostic, that too can be improved. The major cause of there being exceptions to development orders and planning guidelines is the intervention of well meaning politicians and development agencies.

For those inclined to put development ahead of planning constraints, the salutary lesson to remember is that the unplanned development of a single hotel can cause social and environmental blight for 10,000 people or more and destroy the natural beauty that attracted the investor to the location in the first place. And, unlike other forms of planning blight that can be remedied by knocking down buildings, once the environment has been damaged, the time required for its restoration has to be measured in decades.

6.3 Overview of the Strategy

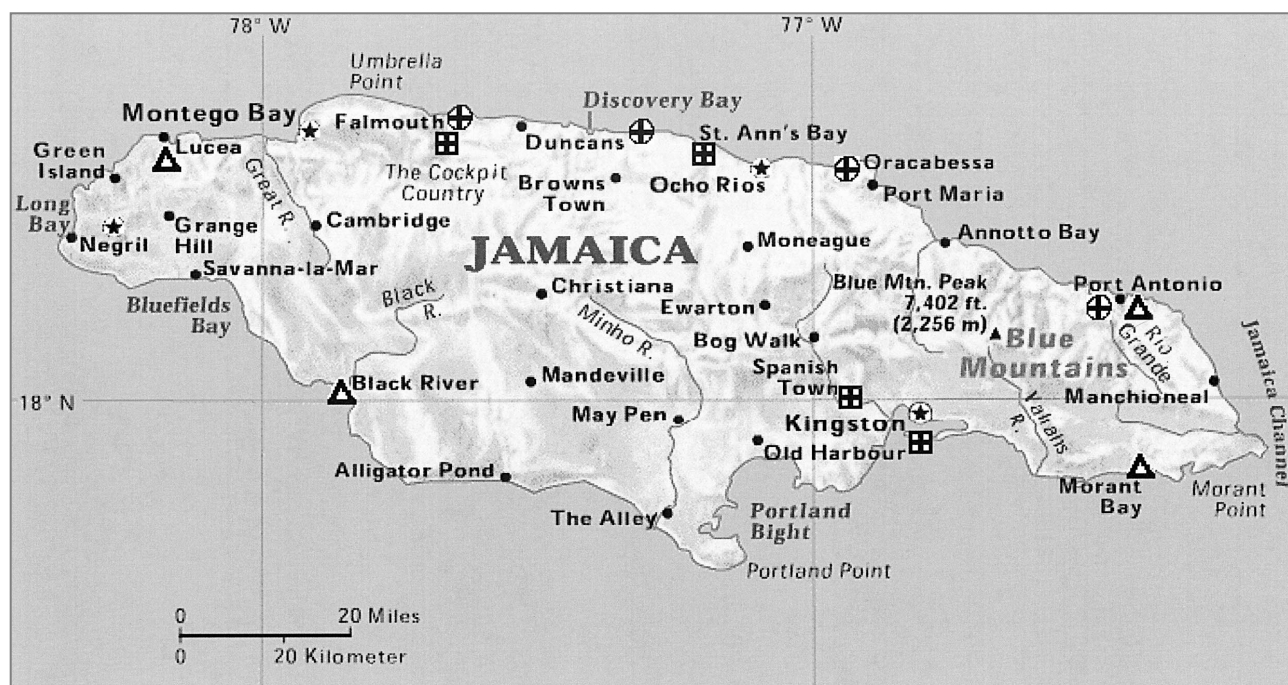
The map on the opposite page sets out the location strategy for the tourism industry over the Master Plan period. The major features of the strategy are:

- ▶ The development of four major resort centres that would account for the majority of the accommodation – Montego Bay, Ocho Rios, Negril and Kingston with the latter catering for both business and leisure travel. These resorts would accommodate much of the increase in room numbers required;
- ▶ There would be four resorts – Port Antonio, Oracabessa, Runaway Bay and Falmouth;
- ▶ As described in the previous chapter, the major international attractions would be Port Royal, Spanish Town, Falmouth, Seville, Dunns River Falls, Blue and John Crow Mountains;

- ▶ The international and national attractions would be Titchfield Hill, Firefly, Fern Gully, the Bob Marley Museum and Trail, St Ann's Bay and Marcus Garvey's birthplace, Black River, Lucea, Morant Bay, and the Maroon villages of Accompong and Moore Town;
- ▶ Transport improvements would work to a two airport strategy with the area defined by a line running south from St Ann's Bay to the South Coast as the dividing line between the areas served by the two airports. Ocho Rios would no longer be served by Montego Bay as the improvements to the Kingston-Ocho Rios Highway would make this resort quicker to access from Kingston than Montego Bay. The upgrading of the coastal road between Kingston and Port Antonio would make that resort within easy access of an international airport. It would also open up the parish of St Thomas to visitors touring the island and those staying in Kingston and Port Antonio;
- ▶ The Highway 2000 project to construct a motorway between Montego Bay and Kingston would also allow the development of the Port Royal, Kingston, Spanish Town historic triangle as a major attraction for stop-over visitors staying along the entire north coast. Areas such as the South Coast would become easily accessible for tours from the resort centres of Negril and Montego Bay.

The focus of tourism would remain with the country's north and north-west coasts, but there would be a better balance between visitors to the north and north-west coasts and the rest of the country. In particular, the establishment of the cruise port at Port Royal, or failing that, Kingston, would start to draw a significant proportion of visitors to the south of the country.

Further, the South Coast would be opened up as an area rich in attractions for tours and visitors staying in small hotels and guest houses, villas and apartments. Portland and St Thomas would feature natural and cultural attractions and form part of the growth of tourism fed out of Kingston Airport. The Cockpit Country would, along with Accompong, form an attraction in itself for the environmentally and culture conscious.



The Resort Areas of Jamaica

Legend: Resorts Major Attractions Heritage Towns Resort Centres

>> Portland Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
P6	Portland	Berrydale	Berrydale	Scatter Falls	Natural	Water Feature
P7	Portland	Berrydale	Berrydale	Foxes Cave	Natural	Land Feature
P16	Portland	Black Hill	Black Hill	Extinct Volcano	Natural	Land Feature
P14	Portland	Blue Mountain	Blue Mountain National Park	Nanny Town	Built Heritage	Historic Site
P25	Portland	Blue Mountain	Blue Mountain	Blue Mountain National Park	Natural	Parks
P27	Portland	Boston Bay	Boston Bay	Boston Beach	Natural	Coastal Attraction
P28	Portland	Boston Bay	Boston Bay	Boston Jerk Centre	Attraction	Cuisine
P24	Portland	Buff Bay	Kildare	Kildare Great House	Built Heritage	Residential
P33	Portland	Buff Bay	Buff Bay	Buff Bay Railway Station	Built Heritage	Transportation
P37	Portland	Buff Bay	Spring Gardens	Crystal Springs	Natural Attraction	Land Feature
P13	Portland	Charles Town	Charles Town	Maroon Burial Ground	Built Heritage	Historic Site
P35	Portland	Hart Hill	Hart Hill	Windmill Tower	Built Heritage	Industrial
P8	Portland	Hope Bay	Hope Bay	Somerset Falls	Natural	Water Feature
P31	Portland	Hope Bay	Hope Bay	Hope Bay Railway Station	Built Heritage	Transportation
P26	Portland	John Crow Mountain	John Crow Mountain	John Crow Mountain National Park	Natural	Parks
P15	Portland	Millbank	Millbank	Millbank	Cultural Heritage	Event
P10	Portland	Moore Town	Moore Town	Bump Grave Site	Built Heritage	Historic Site
P11	Portland	Moore Town	Moore Town		Built Heritage	Historic Site
P12	Portland	Moore Town	Moore Town	O'Sufu Ground	Built Heritage	Historic Site
P36	Portland	Nonsuch	Nonsuch	Nonsuch Caves, Athenry Gardens	Natural Attraction	Land Feature
P18	Portland	Orange Bay	Orange Bay	Orange Bay Beach Complex	Natural	Water Feature
P19	Portland	Orange Bay	Orange Bay	Orange Vale Great House	Built Heritage	Great House
P20	Portland	Orange Bay	Orange Bay	Slave Barracks Ruins	Built Heritage	Historic Site
P21	Portland	Orange Bay	Orange Bay	Sugar Factory Ruins	Built Heritage	Historic Site
P 32	Portland	Orange Bay	Orange Bay	Orange Bay Railway Station	Built Heritage	Transportation
P1	Portland	Port Antonio	Folly Estate	Folly Ruins	Built Heritage	Residential
P2	Portland	Port Antonio	Titchfield Hill	Titchfield Hill Area	Built Heritage	Residential
P2.1	Portland	Port Antonio	Titchfield Hill	Fort George	Built Heritage	Military
P2.2	Portland	Port Antonio	Titchfield Hill	Fort George Barracks	Built Heritage	Military
P3	Portland	Port Antonio	Port Antonio	Port Antonio Marina	Venue	Sport/Event
P4	Portland	Port Antonio	San San Bay	Blue Hole/ Lagoon	Natural	Water Feature
P29	Portland	Port Antonio	Port Antonio	Port Antonio Railway Station	Built Heritage	Transportation
P34	Portland	Port Antonio	Folly	Folly Point Lighthouse	Built Heritage	Maritime
P5	Portland	Reach	Driver River	Reach Falls	Natural	Water Feature
P9	Portland	Rio Grande Valley	Rio Grande Valley	Rio Grande River	Natural	Water Feature
P30	Portland	St Margaret's Bay	St Margaret's Bay	St Margaret's Bay Railway Station	Built Heritage	Transportation
P17	Portland	Tranquillity	Tranquillity	Orange Vale Ruins	Built Heritage	Industrial
P 22	Portland	Windsor Castle	Windsor Castle	Windsor Castle Ruins	Built Heritage	Historic Site
P23	Portland	Windsor Castle	Windsor Castle	Wind Mill Ruins	Built Heritage	Industrial

>> St Ann Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
SA7	St Ann	Annandale	Annandale	Annandale	Built Heritage	Great House
SA12	St Ann	Brownstown	Minard	Minard Great House	Built Heritage	Great House
SA24	St Ann	Discovery Bay	Discovery Bay Beach	Discovery Bay Beach	Venue	Sport
SA21	St Ann	Greenwich Park	Dover Raceway	Dover Raceway	Venue	Sport
SA3	St Ann	Lawrence Park	Lawrence Park	Lawrence Park	Venue	Event
SA22	St Ann	Lilyfield	Lilyfield	Lilyfield Great House	Venue	Event
SA25	St Ann	Llandover	Richmond	Chukka Cove Polo Club	Venue	Event
SA8	St Ann	Lydford	Belmont	Belmont Ruins	Built Heritage	Great House
SA19	St Ann	Mammee Bay	Mammee Bay	Old Fort	Built Heritage	Military
SA17	St Ann	Moneague	Moneague	Moneague Tavern/Cafe Aubergine	Built Heritage	Historic Building
SA2	St Ann	Ocho Rios	Jamaica Grande	Jamaica Grande	Venue	Event
SA26	St Ann	Ocho Rios	Ocho Rios	Ocho Rios	Venue	Event
SA27	St Ann	Exchange	White River	White River	Venue	Event
SA28	St Ann	Ocho Rios	Ocho Rios	Dunn's River Falls & Park	Natural	Water Feature
SA13	St Ann	Orange Valley	Orange Valley	Orange Valley	Built Heritage	Great House
SA11	St Ann	Pedro District	Harmony Vale	Edinburgh Castle	Built Heritage	Great House
SA14	St Ann	Pedro District	Ramble	Ramble Great House	Built Heritage	Great House
SA15	St Ann	Pedro District	York Castle	York Castle Great House	Built Heritage	Great House
SA18	St Ann	Priory	Priory	Old Priory	Built Heritage	Church
SA23	St Ann	Puerto Seco	Puerto Seco Beach	Puerto Seco Beach	Venue	Sport
SA10	St Ann	Runaway Bay	Cardiff	Cardiff Hall	Built Heritage	Great House
SA1	St Ann	St Ann's Bay	Drax Hall	Drax Hall	Venue	Sport
SA4	St Ann	St Ann's Bay	St Ann's Bay	St Ann's Bay	Venue	Event
SA4.1	St Ann	St Ann's Bay	Parish Library	Marcus Garvey Statue	Built Heritage	Memorial
SA4.2	St Ann	St Ann's Bay	St Ann's Bay	Marcus Garvey Birth Place	Built Heritage	Historic Site
SA4.3	St Ann	St Ann's Bay	St Ann's Bay	St Ann's Baptist Church	Built Heritage	Church
SA4.4	St Ann	St Ann's Bay	St Ann's Bay	Anglican Parish Church	Built Heritage	Church
SA4.5	St Ann	St Ann's Bay	St Ann's Bay	St Ann's Catholic Church	Built Heritage	Church
SA4.6	St Ann	St Ann's Bay	St Ann's Bay	Court House	Built Heritage	Public Building
SA4.7	St Ann	St Ann's Bay	St Ann's Polo Club	St Ann's Polo Club	Venue	Sport
SA6	St Ann	St Ann's Bay	Seville Heritage Park	Seville la Nueva	Built Heritage	Heritage Site
SA6.1	St Ann	St Ann's Bay	Seville Heritage Park	Brown Sugar Plantocracy	Built Heritage	Heritage Site
SA6.2	St Ann	St Ann's Bay	Seville Heritage Park	Seville Great House & Heritage Park	Built Heritage	Great House
SA20	St Ann	St Ann's Bay	St Ann's Bay	St Ann's Bay Fort	Built Heritage	Military
SA9	St Ann	Walkerswood	Bromley	Bromley	Built Heritage	Great House

>> Trelawney Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
T6	Trelawny	Albert Town	Albert Town	Albert Town	Built Heritage	Historic Site
T8	Trelawny	Falmouth	Falmouth	Falmouth	Venue	Event
T9	Trelawny	Falmouth	Rock	Glistening Waters	Natural/Venue	Water Feature / Events
T10	Trelawny	Falmouth	Town Centre	Town Centre	Built Heritage	Historic District
T10.1	Trelawny	Falmouth	Falmouth	18th C Town Limits	Built Heritage	Residential
T10.2	Trelawny	Falmouth	Town Centre	Water Square	Built Heritage	Historic District
T10.3	Trelawny	Falmouth	Town Centre	Town Hall/ Court House	Built Heritage	Public Building
T10.4	Trelawny	Falmouth	Town Centre	Trelawny Parish Church	Built Heritage	Church
T10.5	Trelawny	Falmouth	Town Centre	Town Hall/ Court House	Built Heritage	Public Building
T10.6	Trelawny	Falmouth	Town Centre	Post Office	Built Heritage	Public Building
T10.7	Trelawny	Falmouth	Town Centre	Waterfront	Attraction	Commercial
T1011	Trelawny	Falmouth	Falmouth	Fort Balcarras	Built Heritage	Military
T17	Trelawny	Falmouth	Falmouth	Parish Pillars	Built Heritage	Monuments
T3	Trelawny	Martha Brae	Martha Brae Valley	Martha Brae Village	Built Heritage	Historic District
T5	Trelawny	Martha Brae	Martha Brae Valley	Holland Sugar Estate	Built Heritage	Industrial
T7	Trelawny	Martha Brae	Hague Show Ground	Hague Show Ground	Venue	Event
T14	Trelawny	Martha Brae	Martha Brae Valley	Persian Wheel	Built Heritage	Industrial
T15	Trelawny	Potosi	Martha Brae Valley	Potosi Falls	Natural	Water Feature
T16	Trelawny	Potosi	Martha Brae Valley	Potosi Ruins	Built Heritage	Great House
T4	Trelawny	Rafters Village	Martha Brae Valley	Marthe Brae River	Natural	Water Feature
T12	Trelawny	Rio Bueno	Rio Bueno	Fort Dundas	Built Heritage	Military
T13	Trelawny	Rio Bueno	Rio Bueno	Village Centre	Built Heritage	Historic District
T1	Trelawny	Windsor	Cockpit Country	Cockpit Country Caves	Natural	Land Feature
T2	Trelawny	Windsor	Cockpit Country	Windsor House	Built Heritage	Plantation/ Great House

>> St James Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
J9	St James	Anchovy	Roehampton	Roehampton Great House	Built Heritage	Great House
J2	St James	Blue Hole	Blue Hole	Blue Hole	Natural	Water Feature
J13	St James	Ironshore	Ironshore	Windmill Tower	Built Heritage	Industrial
J4	St James	Lethe	Lethe	Great River	Natural	Water Feature
J6	St James	Montego Bay	Montego Bay	Montego Bay	Venue	Event
J6.1	St James	Montego Bay	Montego Bay	Marine Park	Natural	Natural Attraction
J6.2	St James	Montego Bay	Montego Bay High School	Montego Bay High School	Venue	Event
J6.3	St James	Montego Bay	Montpelier Show Grounds	Montpelier Show Grounds	Venue	Event
J6.4	St James	Montego Bay	Ritz Carlton	Ritz Carlton	Venue	Event
J6.5	St James	Montego Bay	Wyndham Half - Moon Tryall	Wyndham Half - Moon Tryall	Venue	Event
J6.6	St James	Montego Bay	Montego Bay Yacht Club	Montego Bay Yacht Club	Venue	Event
J6.7	St James	Montego Bay	Bob Marley Centre	Bob Marley Centre	Venue	Event
J6.8	St James	Montego Bay	Round Hill Hotel	Round Hill Hotel	Venue	Event
J6.9	St James	Montego Bay	Montego Bay	Old Fort	Built Heritage	Military
J6.10	St James	Montego Bay	Montego Bay	Burchell Baptist Church	Built Heritage	Church
J6.11	St James	Montego Bay	Montego Bay	Anglican Parish Church	Built Heritage	Church
J6.12	St James	Montego Bay	Montego Bay	Sam Sharpe Square	Built Heritage	Historic Site
J6.13	St James	Montego Bay	Montego Bay	The Dome	Built Heritage	Monument
J6.14	St James	Montego Bay	Montego Bay	Old Slave Ring	Cultural Heritage	Artefact
J10	St James	Montego Bay	Rose Hall	Rose Hall Great House	Built Heritage	Great House
J11	St James	Montego Bay	Montego Bay	Barnett Estate	Built Heritage	Great House
J3	St James	Montpelier	Seven Rivers Area	Old Slave Estate	Built Heritage	Historic Site
J5	St James	Montpelier	Anchovy	Rocklands Feeding Station	Natural	Natural Attraction
J1	St James	Maroon Town	Maroon Town	Sam Sharpe Site - Tulloch Castle	Built Heritage	Great House
J7	St James	Cinnamon Hill		Cinnamon Hill Great House	Built Heritage	Great House
J8	St James	Greenwood	Rose Hill	Greenwood Great House	Built Heritage	Great House
J12	St James	St James		Running Gut Water Wheel	Built Heritage	Industrial

>> Hanover Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
H6	Hanover	Barbican	Barbican	Windmill Tower	Built Heritage	Industrial
H1	Hanover	Blenheim	Blenheim	Blenheim	Cultural Heritage	Historical Character
H8	Hanover	Negril	The Great Morass	Royal Palm Reserve	Natural	Natural Attraction
H4	Hanover	Lucea	Lucea	Fort Charlotte	Built Heritage	Military
H5	Hanover	Lucea	Town Centre	Town Centre	Historic District	Historic District
H5.1	Hanover	Lucea	Old Goal	Hanover Museum	Built Heritage	Museum
H5.2	Hanover	Lucea	Lucea	Town Hall / Court	Built Heritage	Municipal
H5.3	Hanover	Lucea		Hanover Parish Church	Built Heritage	Religious Building
H7	Hanover	Mosquito Cave	Town Centre	Kenilworth Works	Built Heritage	Industrial
H2	Hanover	Tryall	Tryall	Tryall Great House & Estate	Built Heritage	Great House
H3	Hanover	Tryall	Tryall	Tryall Water Wheel	Built Heritage	Industrial

>> Westmoreland Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
W14	Westmoreland	Auchindown	Auchindown	Auchindown Ruins	Built Heritage	Historic Site
W10	Westmoreland	Barram	Hertford	Hertford	Cultural Heritage	Heritage Attraction
W13	Westmoreland	Belmont	Bluefields	Belmont	Venue	Event
W15	Westmoreland	Bluefields	Bluefields	Bluefields Great House	Built Heritage	Great House
W16	Westmoreland	Bluefields	Bluefields	Bluefields Beach	Natural	Land Feature
W17	Westmoreland	Chebuctoo	Bluefields	Chebuctoo Great House	Built Heritage	Great House
W9	Westmoreland	Deans Valley	Deans Valley	Deans Valley	Natural	Natural Attraction
W20	Westmoreland	Frome	Bahram	Bahram House	Built Heritage	Industrial
W21	Westmoreland	Frome	Frome	Frome Sugar Factory	Built Heritage	Industrial
W22	Westmoreland	Frome	Frome	Worker's Monument	Built Heritage	Monument
W23	Westmoreland	Frome	Blue Castle	Blue Castle	Built Heritage	Industrial
W24	Westmoreland	Grange Hill	Grange Hill	Labour Monument	Built Heritage	Monument
W8	Westmoreland	Little Bay	Little Bay	Little Bay	Cultural Heritage	Heritage Attraction
W1	Westmoreland	Negril	Negril	Negril River & Great Morass	Natural	Land/Water Feature
W2	Westmoreland	Negril	The Great Morass	Royal Plam Reserve	Natural	Land Feature
W3	Westmoreland	Negril	Negril River	Negril River	Natural	Landscape & Ecology
W4	Westmoreland	Negril	Long Bay	Long Bay	Natural	Land Feature
W5	Westmoreland	Negril	South Negril	Light House	Built Heritage	Maritime
W6	Westmoreland	Negril	Negril	Negril	Venue	Event
W12	Westmoreland	Roaring River	Fort William	Roaring River	Natural	Natural Attraction
W18	Westmoreland	Savanna la Mar	Savanna la Mar	Savanna la Mar	Built Heritage	Historic District
W18.1	Westmoreland	Savanna la Mar	Savanna la Mar	Savanna la Mar Parish Church	Built Heritage	Religious Building
W18.2	Westmoreland	Savanna la Mar	Savanna la Mar	Mannings High School	Built Heritage	Public Building
W18.3	Westmoreland	Savanna la Mar	Savanna la Mar	Court House	Built Heritage	Public Building
W19	Westmoreland	Savanna la Mar	Savanna la Mar	Fort George	Built Heritage	Military
W7	Westmoreland	Springfield	Silver Springs	Silver Springs	Natural	Water Feature
W11	Westmoreland	Whithorn	Whithorn	Caves	Natural	Land Feature

>> St Elizabeth Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
E13	St Elizabeth	Accompong	Cockpit Country	Maroon Town	Built Heritage	Heritage Attraction
E14	St Elizabeth	Accompong	Cockpit Country	Cockpit Country	Venue	Event
E15	St Elizabeth	Accompong	Cockpit Country	Aberdeen House	Built Heritage	Residential House
E10	St Elizabeth	Appleton	Appleton	Appleton Estate	Built Heritage	Industrial
E4	St Elizabeth	Black River	Black River	Black River and Morass	Natural	Land/Water Feature
E3	St Elizabeth	Black River	Black River	Black River	Venue	Event
E3.1	St Elizabeth	Black River	Black River	Parish Church	Built Heritage	Religious Building
E3.2	St Elizabeth	Black River	Black River	Court House	Built Heritage	Public Building
E3.3	St Elizabeth	Black River	Black River	Police Station	Built Heritage	Public Building
E3.4	St Elizabeth	Black River	Black River	Black River Hospital	Built Heritage	Public Building
E5	St Elizabeth	Black River	Black River	Ashton Great House	Built Heritage	Great House
E1	St Elizabeth	Black River	Black River	Spring Park	Built Heritage	Historic Building
E2	St Elizabeth	Black River	Near Hospital	Black River Spa	Natural	Water Feature
E6	St Elizabeth	Front Hill	Front Hill	Front Hill House	Built Heritage	Historic Building
E11	St Elizabeth	Lacovia	Black River Environs	Cashoo Ostrich Park	Built Heritage	Industrial
E12	St Elizabeth	Lacovia	Lacovia to Holland	Bamboo Avenue	Attraction	Natural Attraction
E9	St Elizabeth	Middle Quarters	Main Highway	Middle Quarters	Attraction	Food
E7	St Elizabeth	Pondside	Pondside	Wallywash Great Pond	Natural	Water Feature
E8	St Elizabeth	Southfield	Lover's Leap	Lover's Leap	Attraction	Land Feature
E8.1	St Elizabeth	Southfield	Lover's Leap	Lighthouse	Built Heritage	Maritime
E17	St Elizabeth	Treasure Beach	Treasure Beach	Treasure Beach	Venue	Event
E18	St Elizabeth	Treasure Beach	Pedro Plains			
E16	St Elizabeth	YS	YS	YS Falls	Natural	Water Feature

>> Manchester Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
M1	Manchester	Crosskeyes	Crosskeyes	Heron's Burial Ground	Cultural Heritage	Historic Site
M3	Manchester	Mile Gully	Mile Gully	Maidstone Church	Built Heritage	Historic Site
M4	Manchester	Mile Gully	Mile Gully	Mile Gully Sugar Estate	Built Heritage	Industrial
M5	Manchester	Williamsfield		Williamsfield	Venue	Sport/Event
M6	Manchester	Mandeville	Mandeville	Mandeville	Event	Fair
M6.1	Manchester	Mandeville	Town Centre	Mandeville Parish Church	Built Heritage	Religious Building
M6.2	Manchester	Mandeville	Town Square	Court House	Built Heritage	Public Building
M6.3	Manchester	Mandeville	Town Square	Market	Built Heritage	Public Building
M6.4	Manchester	Mandeville	Mandeville	Manchester Show Ground	Event	Horticultural Show
M6.5	Manchester	Mandeville	Mandeville	Brooks Park	Event	Music
M10	Manchester	Mandeville	Marshall's Pen	Marshall's Pen Great House	Built Heritage	Residential
M10	Manchester	Mandeville	Marshall's Pen	Marshall's Pen Estate	Built Heritage	Historic Site
M11	Manchester	Mandeville	Bloomfield	Bloomfield Great House	Built Heritage	Residential
M7	Manchester	Mandeville	Mark Post	Orchid Sanctuary	Attraction	Land Feature
M9	Manchester	Alligator Hole	Round Hill	Alligator Hole River	Natural	Water Feature
M8	Manchester	Alligator Pond	Little Ochi	Little Ochi	Attraction	Cuisine
M2	St Elizabeth	New Forest	New Forest	New Forest Ruin	Built Heritage	Historic Building

>> Clarendon Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
C4	Clarendon	Arthur's Seat	Arthur's Seat	Tom Redcam's House & School	Built Heritage	Historic Site
C3	Clarendon	Bull Head Mountain	Bull Head Mountain	Cudjoe Trail	Cultural Heritage	Historic Character
C13	Clarendon	Hayes	Hayes	Hayes	Cultural Heritage	Cultural Group
C12	Clarendon	Hayes	Off Main Road	Halse Hall	Cultural Heritage	Residential
C17	Clarendon	Jackson's Bay	Jackson's Bay	Jackson's Bay Caves	Natural	Land Feature
C1	Clarendon	James Hill	James Hill	Claude McKay Birthplace	Cultural Heritage	Heritage Site
C1.1	Clarendon	James Hill	James Hill School	Claude McKay Marker	Cultural Heritage	Heritage Site
C8	Clarendon	Kellits	Kellits	Kellits Sugar Works	Built Heritage	Industrial
C21	Clarendon	Mason River	Mason River	Mason River Botanical Station	Natural	Botanical
C11	Clarendon	May Pen	Denbigh Showground	Denbigh Agri Exhib	Event	Agricultural
C10	Clarendon	May Pen	Town Centre	Clock Tower	Built Heritage	Monument
C15	Clarendon	Milk River	Milk River	Gods Well	Natural	Land Feature
C14	Clarendon	Milk River	Milk River	Milk River Bath & Hotel	Natural	Water Feature
C18	Clarendon	Portland Bight	Portland Bight	Portland Bight Protected Area	Natural	Land Feature
C19	Clarendon	Portland Bight	Portland Point	Portland Point Lighthouse	Built Heritage	Maritime
C6	Clarendon	Rock River	Rock River	Rock River Great House	Built Heritage	Residential
C6.1	Clarendon	Rock River	Rock River	Sugar Estate Ruins	Built Heritage	Industrial
C20	Clarendon	Salt River Hill	Salt River	Amerindian Site	Cultural Heritage	Prehistoric Site - Amerindian
C20.1	Clarendon	Salt River Road	Salt River	Windmill Tower	Built Heritage	Industrial
C5	Clarendon	Suttons	Suttons	Suttons Sugar Estate	Built Heritage	Industrial
C16	Clarendon	The Alley	The Alley	St Peter's Church	Built Heritage	Religious Building
C16	Clarendon	The Alley	Town Centre	Windmill & Town Centre Buildings	Built Heritage	Industrial
C2	Clarendon	Trout Hall	Trout Hall	Trout Hall Plantation	Built Heritage	Industrial
C9	Clarendon	Whitney Turn	Whitney Turn	Whitney Turn Aqueduct	Built Heritage	Infrastructure
C7	Clarendon	Wood Hall	Wood Hall	Museum	Cultural Heritage	Heritage Site

>> St Catherine Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
SC21	St Catherine	Bog Walk	Rio Cobre Valley	Flat Bridge	Built Heritage	Infrastructure
SC24	St Catherine	Bog Walk	Rio Cobre Valley	Bog Walk Gorge	Natural	Infrastructure
SC9	St Catherine	Bushy Park	Bushy Park	Bushy Park Aqueduct	Built Heritage	Event
SC19	St Catherine	Caymanas	Washington Boulevard	Caymanas	Venue	Social - Club House
SC19.1	St Catherine	Caymanas	Washington Boulevard	Caymanas Golf & Country Club	Open Space	Social
SC17	St Catherine	Caymanas	Gregory Park	Caymanas Park Race Track	Open Space	Prehistoric Site
SC16	St Catherine	Central Village	White Marl	Old Arawak Village Site	Cultural Heritage	Social
SC18	St Catherine	Ferry	Washington Boulevard	Ye Olde Ferry Inn	Built Heritage	Land Feature
SC3	St Catherine	Guanaboa Vale	Guanaboa Vale	Guanaboa Vale Caves	Natural	Residential
SC4	St Catherine	Guanaboa Vale	Belmont	Belmont Estate	Built Heritage	Education
SC25	St Catherine	Guys Hill	Guys Hill	Village Heritage Learning Centre	Cultural Heritage	Military
SC11	St Catherine	Hellshire	Hellshire	Fort Clarence	Built Heritage	Coastal Feature
SC11.1	St Catherine	Hellshire	Fort Clarence	Fort Clarence Beach	Natural	Land Feature
SC10	St Catherine	Hellshire	Hellshire	Hellshire Hills	Reserve	Land Feature
SC27	St Catherine	Linstead	Treadways	Treadways Botanical Garden	Natural	Infrastructure
SC1	St Catherine	Lluidas Vale	Worthy Park	Worthy Park Aqueduct	Built Heritage	Monument
SC2	St Catherine	Lluidas Vale	Lluidas Vale	Juan de Bolas Monument	Built Heritage	Monument
SC7	St Catherine	Old Harbour	Old Harbour	Memorial - Marker commemorating arrival of East Indians	Cultural Heritage	Residential
SC5	St Catherine	Old Harbour	Colbeck Village	Colbeck Castle	Built Heritage	Residential
SC6	St Catherine	Old Harbour	Old Harbour	Marlie Ruin	Built Heritage	Religious Building
SC8	St Catherine	Old Harbour	Old Harbour Bay	St Dorothy's Church	Built Heritage	Military
SC13	St Catherine	Port Henderson	Port Henderson	Port Henderson	Cultural Heritage	Military
SC13.1	St Catherine	Port Henderson	Port Henderson	Fort Small	Built Heritage	Military
SC13.2	St Catherine	Port Henderson	Port Henderson	Rodney's Arms	Built Heritage	Military
SC13.3	St Catherine	Port Henderson	Port Henderson	The Birth House	Built Heritage	Military
SC13.4	St Catherine	Port Henderson	Port Henderson	The Chapel	Built Heritage	Military
SC13.5	St Catherine	Port Henderson	Port Henderson	The Community Centre	Built Heritage	Military
SC13.6	St Catherine	Port Henderson	Port Henderson	The Long House	Built Heritage	Military

>> St Catherine Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
SC13.7	St Catherine	Port Henderson	Port Henderson	Rodney's Glass Piece Lookout	Built Heritage	Military
SC12	St Catherine	Port Henderson	Port Henderson	Rodney's Lookout	Built Heritage	Military
SC14	St Catherine	Port Henderson	Port Henderson	Fort Augusta & Tombs	Built Heritage	Military
SC15	St Catherine	Portmore	Portmore	Portmore	Venue	Event
SC26	St Catherine	Riversdale	Riversdale	Natural Bridge	Natural	Land Feature
SC23	St Catherine	Sligoville	Sligoville Village	Sligoville Free Village	Cultural Heritage	Heritage Site
SC23.1	St Catherine	Sligoville	Sligoville Village	1835 Baptist Missionary School & Church Site	Cultural Heritage	Historic Site
SC22	St Catherine	Sligoville	Sligoville Village	Highgate House	Built Heritage	Residential
SC20.1	St Catherine	Spanish Town	Spanish Town Square	Old Kings House	Built Heritage/ Venue	Public Building
SC20.2	St Catherine	Spanish Town	Spanish Town Square	Court House Ruins	Built Heritage	Public Building
SC20.3	St Catherine	Spanish Town	Spanish Town Square	House of Assembly	Built Heritage	Public Building
SC20.4	St Catherine	Spanish Town	Spanish Town Square	Rodney Memorial	Built Heritage	Monument
SC20.5	St Catherine	Spanish Town	Spanish Town Square	Altenheim House	Built Heritage	Public Building
SC20.6	St Catherine	Spanish Town	Spanish Town Square	Parade Square	Built Heritage	Park
SC20.7	St Catherine	Spanish Town	Old Spanish Town	16th - 19th C Old Town	Built Heritage	Historic Site
SC20.8	St Catherine	Spanish Town	Old Spanish Town	Founding Marker for Spanish Town	Built Heritage	Monument
SC20.9	St Catherine	Spanish Town	Brunswick Street	St Jago High School	Built Heritage	Public Building
SC20.10	St Catherine	Spanish Town	Barrett Street	St James Cathedral	Built Heritage	Religious Building
SC20.11	St Catherine	Spanish Town	William Street	Phillipo Baptist Church	Built Heritage	Religious Building
SC20.12	St Catherine	Spanish Town	Bourkes Road	St Catherine's District Prison & Gallows	Built Heritage	Goal
SC20.13	St Catherine	Spanish Town	Off Bourkes Road	Old Cast Iron Bridge	Built Heritage	Infrastructure
SC20.14	St Catherine	Spanish Town	Spanish Town	The Barracks	Built Heritage	Military
SC20.15	St Catherine	Spanish Town	Angels	Angels Railway Station	Built Heritage	Transportation
SC20	St Catherine	Spanish Town	Spanish Town	Spanish Town	Built Heritage	Historic District

>> Kingston Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
K1	Kingston	Kingston	Kingston	To be indicated on larger scale map	Various	Various
K2	Kingston	Kingston	Port Royal	Port Royal	Cultural Heritage	Historic Site
K3	Kingston	Kingston	Cross Roads	Cross Roads		
K4	Kingston	Kingston	Mona	University of the West Indies, Mona Campus	Cultural Heritage	Education
K5	Kingston	Kingston	Papine	University of Technology	Cultural Heritage	Education

>> St Andrew Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
A1	St Andrew	August Town	August Town	Bedward's Church Ruins	Built Heritage	Religious Building
A3	St Andrew	Blue & John Crow Mountains	Blue & John Crow Mountains	Blue & John Crow Mountains National Park	Natural Attraction	Park
A2	St Andrew	Irish Town	Irish Town	Strawberry Hill	Venue	Attraction

>> St Thomas Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
ST10	St Thomas	Albion	Albion Estate	Albion Estate	Built Heritage	Industrial
ST26	St Thomas	Bath	Town Centre	Superintendent's House	Built Heritage	Residential
ST25	St Thomas	Bath	Town Centre	Bath Botanical Gardens	Natural	Gardens
ST26.1	St Thomas	Bath	North of Town Centre	Spa - Bath Spa	Natural Attraction	Guest House
ST27	St Thomas	Bath	Near Bath	Ladyfield Great House Ruin	Built Heritage	Residential
ST15	St Thomas	Belvedere	Belvedere Estate	Freemen Tomb	Cultural Heritage	Artefact
ST29	St Thomas	Blue Mountain Valley	Blue Mountain Valley	Upper Negro River	Natural	Land Feature
ST1	St Thomas	Blue Mountains	Blue Mountains	Blue Mountain Park	Natural	Ecosystem
ST1.1	St Thomas	Blue Mountains	Blue Mountains	Blue Mountain Peak	Natural	Natural
ST2	St Thomas	Blue Mountains	Blue Mountains	Whitfield Hall	Built Heritage	Residential
ST4	St Thomas	Blue Mountains	Blue Mountains	Clydesdale	Built Heritage	Residential
ST5	St Thomas	Blue Mountains	Blue Mountains	Chincona Botanical Gardens	Natural	Gardens
ST3	St Thomas	Blue Mountains	Road to Blue Mountain Peak	Abby Green Great House	Built Heritage	Great House
ST6	St Thomas	Cedar Valley Easington	Arntully Hills	Arntully Great House	Built Heritage	Great House
ST9	St Thomas	Easington	Easington Square	Easington Heritage Marker	Cultural Heritage	Heritage Marker
ST9.1	St Thomas	Easington	Playing Field	Judgement Cliff	Cultural Heritage	Heritage Marker
ST9.2	St Thomas	Easington	Easington	White Lime & Brick Plant	Built Heritage	Industrial
ST9.3	St Thomas	Easington	Easington	Old Paul Bogle Monument	Cultural Heritage	Monument
ST9.4	St Thomas	Easington	Easington	Barry Watson House & Environs	Built Heritage	Residential
ST9.5	St Thomas	Easington	Easington	Slave Hospital Ruins	Cultural Heritage	Historic Site
ST9.6	St Thomas	Easington	Easington	Graves (Red Hills)	Cultural Heritage	Artefact
ST9.7	St Thomas	Golden Grove	Yallas River	Suspension Bridge Piers	Built Heritage	Transportation
ST21	St Thomas	Healthful Hill	Golden Grove	Cemetary	Built Heritage	Religious
ST13	St Thomas	Holland	White River	White River Mill House	Built Heritage	Industrial
ST22	St Thomas	Jones Pen	Holland Estate	Holland Estate	Built Heritage	Industrial
ST30	St Thomas	Llandewey	Near Negro River	New Monklands Farmhouse	Built Heritage	Residential
ST8	St Thomas	Lowden Hill	Llandewey	Sugar Mill & Aqueduct	Built Heritage	Industrial
ST12	St Thomas	Morant Bay	Bowden Hill	Old Fort	Built Heritage	Military - Old Fort
ST16	St Thomas	Morant Bay	Morant Bay Square	Town Square	Cultural Heritage	Municipal
ST16.1	St Thomas	Morant Bay	Morant Bay Square	Court House	Cultural Heritage	Municipal
ST16.2	St Thomas	Morant Bay	Rear of Court House	Court House	Cultural Heritage	Heritage Marker
ST16.3	St Thomas	Morant Bay	Front of Court House	Court House Monument	Cultural Heritage	Monument
ST16.4	St Thomas	Morant Bay	West of Court House	Anglican Church	Built Heritage	Religious Building
ST16.5	St Thomas	Morant Bay	Rear of Court House	Morant Bay Fort	Built Heritage	Monument

>> St Thomas Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
ST16.6	St Thomas	Morant Bay	Morant Bay Morant Road	Old Prison	Built Heritage	Penal
ST16.7	St Thomas	Morant Bay	Morant Point	Three Finger Jack	Cultural Heritage	Heritage Marker
ST24	St Thomas	Morant Point	Morant Point	The Greatn Morass	Natural	Ecosystem
ST23	St Thomas	Morant Point	East of Port	Morant Point Lighthouse	Built Heritage	Maritime
ST18	St Thomas	Old Pera	Morant Harbour	Fort Lindsay	Built Heritage	Military
ST20	St Thomas	Phillipsfield	Phillipsfield	Phillipsfield Bridge & Dam	Built Heritage	Industrial
ST19	St Thomas	Port Morant	Port Morant Harbour	Bowden Wharf	Venue	Event
ST17	St Thomas	Prospect	West of Port Morant Harbour	Fort William	Built Heritage	Military
ST7	St Thomas	Richmond Vale	Richmond Vale	Richmond Vale Baptist Church	Built Heritage	Religious Building
ST7.1	St Thomas	Richmond Vale	Richmond Vale	Richmond Vale Coffee Works	Built Heritage	Industrial
ST28	St Thomas	Stony Gut	Stony Gut	Paul Bogle Memorial Garden	Cultural Heritage	Heritage Marker
ST14	St Thomas	White Horses	Rozelle Yallahs Salt Ponds &	Rozelle Falls	Natural	Water Feature
ST11	St Thomas	Yallahs	Environs	Yallahs Salt Ponds	Natural	Eco-tourism
ST11.1	St Thomas	Yallahs	Yallahs Beach	Old Signal Tower	Built Heritage	Military
ST11.2	St Thomas	Yallahs	Yallahs River Watershed	Cambridge Hill to Hagley Gap	Natural	Scenic Route
ST11.3	St Thomas	Yallahs	Cane River Valley	Dallas Mountain Protected Watershed	Natural	Ecosystem

>> St Mary Sites

Site #	Parish	City/Town	Location	Site Name	Category	Sub-Category
SM6	St Mary	Bagnolds/ Guy's Hill	Decoy Estate	Decoy Ruins	Built Heritage	Great House
SM5	St Mary	Clermont	Highgate	Clermont Great House	Built Heritage	Great House
SM8	St Mary	Harmony Hall	Harmony Hall	Harmony Hall	Built Heritage	Great House
SM1	St Mary	Oracabessa	James Bond Beach	James Bond Beach	Natural / Venue	Natural Attraction / Events
SM7	St Mary	Oracabessa	Oracabessa	Fire Fly	Built Heritage	Historic Building
SM4	St Mary	Port Maria	Bailey's Vale	Brimmer Hall Great House	Built Heritage	Great House
SM9	St Mary	Prospect	Prospect Plantation	Prospect Great Hall	Built Heritage	Great House
SM2	St Mary	Rio Nuevo	Rio Nuevo Gardens	Rio Nuevo Gardens	Venue	Event
SM3	St Mary	Woodside	Guy's Hill	Woodside Village	Built Heritage	Historic Site

6.3.1 The Location of Accommodation

In 2000, the total number of rooms in Jamaica was 23,640 rooms. Accommodation was concentrated along the north and north-west, from Negril to Ocho Rios.

The increase in room numbers required in the ten-year period is estimated to be 11,360 rooms. As mentioned above, the priority for high density tourism should be to improve and enhance the three main resort centres of Negril, Montego Bay and Ocho Rios to provide the bulk of this increase. In other areas, additional capacity would be created by higher occupancy rates and limited development of new accommodation. The strategy for the accommodation sector would be as follows:

- ▶ Concentrate new rooms in Negril, Montego Bay and Ocho Rios to maximum levels attainable with carrying capacity constraints. Ensure measures required to achieve sustainable development are achieved;
- ▶ Develop four resorts so that they provide commercial and leisure facilities, and social and physical infrastructure sufficient to meet the needs of local residents and visitors. The resorts would be Port Antonio, Runaway Bay, Oracabessa and Falmouth. The first two already have in excess of 500 rooms and new accommodation is planned to exceed that number in the latter two;
- ▶ In other parts of the country, increase occupancy of existing accommodation stock by effective marketing, improving attractions and developing the wider product through upgrading leisure and recreation facilities.

The distribution of new rooms is envisaged as follows, allowing for a margin of safety:

Location	Rooms
Negril	3,500
Montego bay	3,000
Ocho Rios	2,000
Runaway Bay	500
Oracabessa	500
Falmouth	750
Kingston	750
South Coast	500
Portland and St Thomas	500
Total	12,000

Negril contains some of the most attractive green-field sites for the development of accommodation in the country. In-fill in Long Bay and new development along the coast at Ireland Pen and Bloody Bay offers the potential of adding 5,000-6,000 rooms whilst remaining within the development order's planning guidelines of 15 rooms per hectare. However, it is likely that all the space available will not have been developed by the end of the Master Plan, so the target is set at 3,500 rooms.

Montego Bay has vacant land in the Freeport and along the Ironshore and Rose Hall coasts. These sites amount to some 300 acres of vacant beach front property

zoned for commercial, resort residential use in the plan that is being turned into a development order. At 20 rooms/h.a. this should provide over 6,000 rooms but it is likely that a significant proportion of the Freeport may not actually be used for accommodation, suggesting that 3,000 rooms is an acceptable target.

The St Ann's Bay Development Plan has earmarked stretches of land between the towns of St Ann's Bay and Ocho Rios to be preserved for agriculture or to be left undeveloped to prevent the continuous development of the coast. Allowing for this and using only the lands most suitable for resort development, the Drax Hall and Roaring River coasts could accommodate up to 6,000 additional rooms. However, areas such as Roaring River are planned to be used extensively with a new golf course envisaged. Further, the Ocho Rios area suffers from water shortages and hence, it is not likely to see its full potential realised until additional water supply comes on stream. The target is a more modest 2,000 rooms.

Planned development at Runaway Bay is likely to take total rooms to over 1,000 and it is likely that additional investment will follow. Falmouth is also attracting investment in the Trelawney Beach area and to the west of the town. It is likely that with the development of the town as a major attraction, accommodation around the town will increase.

Oracabessa, its excellent beach and the adjoining areas, are the subject of a long term development plan prepared by an investor with a strong track record. That plan will help boost accommodation in the area to over 500 rooms and lead to the town becoming a resort. The north coast highway and the proposed motorway between Kingston and Ocho Rios should accelerate development.

The modest target for Kingston assumes that the capital will remain principally a centre for the business traveller. The historic triangle would be visited mainly by cruise ship visitors and stop-over visitors based on the north coast.

The target for the south coast is based on the results of the South Coast Sustainable Development Study. That study forcefully argued against the development of any large resort hotels in the area. It argues for low density tourism in small hotels, villas, guest houses and apartments. Similarly, no large resort hotels are recommended for Portland and St Thomas parishes because of ecological concerns. The focus would be on providing an up-market, low density tourism experience based on nature and culture.

6.3.2 The Location of Attractions

The location of attractions would be determined by the strategy for heritage assets set out in the previous chapter. The major heritage attractions have been identified – Port Royal, Spanish Town, Seville and Falmouth and these, together with the Dunns River Falls and the Blue and John Crow Mountains, should become the most visited attractions in the country.

Secondary heritage attractions will develop through the assistance offered by the Heritage Fund. Whilst proposals will be selected on the merit of plans, it is likely that the towns of Morant Bay, Black River, Lucea and Port Antonio will become important centres of heritage.

The dispersion of visitors will be facilitated by the heritage themes and trails linking attractions and by the organisation of festivals and events. It is also intended to develop circuits and scenic routes around the resort centres and resorts that would connect the attractions in their vicinity.

6.3.3 Cruise Ports

The number of cruise visitors is expected to grow strongly to 2.2 million. With Ocho Rios already experiencing huge problems coping with under 600,000 visitors and with Dunns River Falls operating beyond carrying capacity there is a need to both increase carrying capacity at Ocho Rios and to develop other cruise ports.

For Ocho Rios, the main requirements are:

- (i) to develop a walkway (Turtle Walk) from the cruise pier to the commercial centre along the beach and to improve visitor amenities in the town (the Ocho Rios Commercial Centre Project);
- (ii) to establish alternative attractions to Dunns River by developing St Ann's Bay and Seville, realigning the road through Fern Gully and improving that visitor attraction and by establishing new food, beverage and entertainment venues.

At Montego Bay the main requirements are to redevelop the cruise ship terminal and adjacent land into an attractive reception facility with duty free and local (craft) merchandise shopping, restaurants and entertainment. The development of the Freeport, the pier and waterfront and the Walter Fletcher Beach and

the historic area around Sam Sharpe Square should also help to make the city attractive to cruise visitors. With planned transport improvements, such as the north coast highway and the Montego Bay by-pass, it should be possible also to improve tours by offering Falmouth and Lucea, the Cockpit Country and Accompong.

However, both these cruise ports have limitations with regard to capacity to handle large numbers of visitors. Montego Bay's limit includes the inability to handle two large cruise ships at a time and the proposed solution, blasting the reef, must be approached with caution on environmental grounds. Ocho Rios can increase capacity by utilising the Reynolds pier, but the town and its nearby attractions do not allow very large numbers of visitors to be handled in comfort at any given time.

Port Royal offers the greatest opportunity for developing a world class cruise port. The port should be able to cope with over 2 million visitors per annum. The use of ferries would bring Spanish Town and Kingston Waterfront within easy reach so that the whole of the historic triangle could play host to cruise ship visitors.

A balanced development of the cruise ports would distribute cruise visitors as follows:

>> Target Distribution of Cruise Visitors – 2010	
Location	Rooms
Port Royal	1,000
Ocho Rios	700
Montego Bay	500
Total	2,200

The main assumption underlying these targets is that it will take time to construct the cruise ship pier at Port Royal. It would have come on stream but not reached peak utilisation. The improvements at Ocho Rios and Montego Bay would have been implemented and would have proved successful. However, the development of Port Royal would eat into their client base.

Should the Port Royal Project have to be scaled down, investment would have to be made at Kingston to:

- (i) repair the existing pier;
- (ii) build visitor reception facilities with access to water borne and road transport to Port Royal and Spanish Town;
- (iii) create pedestrian walkways through the waterfront and downtown areas to visit heritage sites and leisure and recreation facilities;
- (iv) establish shopping facilities, including markets for crafts and other local products and duty free shopping with food and beverage and visitor entertainment;
- (v) invest in establishing Port Royal, historic Kingston and Spanish Town as visitor attractions.

Kingston would not provide as easily managed and controlled an environment as Port Royal nor would it have the draw of Port Royal. Nevertheless, it would be cheaper and quicker to develop and would help to reduce the demands on Ocho Rios. The total cost of establishing the minimum required infrastructure and attractions is likely to be in the order of US\$5-10 million.

With Kingston as the cruise port, Ocho Rios would need to be developed to accommodate a million visitors with the balance shared between Montego Bay and Kingston. The Reynolds pier would need to be developed with a visitor reception facility across the main road and with attractive visitor shopping, leisure and recreation nearby.

6.3.4 Other Transport

As set out in the two national physical plans, the strategy for international air transport must be to use both international airports for tourism. The present situation is that the majority of visitors land at Sangsters Airport at Montego Bay. This disadvantages the south and east of the country.

The root cause of the imbalance lies in the country's road network that makes Ocho Rios more accessible from Montego Bay than Kingston. Planned improvements in the road network, particularly the Highway 2000 Project, would establish a motorway between Ocho Rios and Kingston. This would make all destinations along a line running north-south from St Ann's Bay equal in time and distance from the two airports. Everything to the east of the line should be served from Kingston.

Given the pattern of accommodation envisaged, Sangsters at Montego Bay would remain the principal airport for international visitors. But Kingston, which would be expected to serve the two resort centres of Ocho Rios and Kingston and the resort towns of Oracabessa and Port Antonio, should handle a much higher proportion of visitors than it does at present. This is a policy imperative for JAMVAC and JTB in developing new gateways. However, on a practical level, the full-fledged two airport strategy will need to wait till the Ocho Rios, Kingston motorway has been completed. This is planned for the year 2003 but with the delays that usually affect infrastructure projects, the opening of the motorway could be delayed. In the interim, the main hinterland for Norman Manley Airport would remain Portland, St Thomas, Kingston, and St Andrew and the south coast, including the parishes of St Catherine, Clarendon, Manchester and St Elizabeth. Its prime role would remain catering for VFR visitor and business travellers. However, with the upgrading of the A4 coastal road between Kingston and Port Antonio (see below) higher numbers of international visitors could start to be attracted. JAMVAC/JTB need, therefore, to monitor progress on roads and adjust their priorities accordingly.

The development of the international airports is contingent on upgrading visitor reception facilities. Both airports are short of capacity to handle the numbers of stopover visitors projected. Sangsters privatisation is under way and this should enable the required level of investment. A similar privatisation of Norman Manley Airport is essential.

It would appear that the proposed extension of Montego Bay's runway may not be warranted any more. The use of the new generation of wide-bodied planes (A340, 767, 777) makes this unnecessary. However, the situation will need to be kept under review as the very large aeroplanes planned for the future may still require the runway to be extended.

The upgrading of domestic airports will be far less of a priority when the planned road network improvements are complete. Further, changing technology is also making it possible to use existing facilities more effectively. For example, the UDC believes that as a result of shorter take off and landing requirements, it is possible to accommodate larger aeroplanes at Negril, making the proposal to relocate the airport unviable.

The domestic airport that has been earmarked for upgrading is Ken Jones, which serves Port Antonio. However, this is also likely to remain a short term requirement. In the long term, if the Kingston to Port Antonio A4 road were upgraded and a greater number of flights attracted to Kingston, the need to upgrade Ken Jones would diminish. Upgrading of domestic airports should, therefore, be considered only on grounds of national transport policy, not for the benefit of tourism.

The major road improvements that are planned currently are:

- ▶ The Highway 2000 project that would result in the construction of motorways to link the resort centre at Montego Bay to Kingston. The road would follow the alignment of the current A2, with a by-pass at Old Harbour and from Mandeville, strike through the centre of the country to Montego Bay. It would follow the railway line for part of the way and reduce the total journey time to just two hours. This is planned as a build-own-operate-transfer (BOOT) project.
- ▶ A part of the same project, the construction of a motorway between Ocho Rios and Kingston via Spanish Town and Old Harbour, also on a BOOT basis. Both motorways would carry tolls. The importance to tourism of this motorway is that it enables a genuine two airport strategy to be

pursued. By by-passing Fern Gully, it would also allow that important attraction to be protected, conserved and developed.

- ▶ The North Coast Highway that would, when its three stages are complete, create a highway that links the entire north-west and the north coasts, from Negril to Port Antonio, with the major towns by-passed, including the city of Montego Bay. The A1, A3 and A4 would have been improved substantially.
- ▶ A major new route is planned between Bath and Port Antonio. However, its projected start date appears to have been delayed.

These proposals will benefit tourism, with the North Coast Highway and the motorway between Ocho Rios and Kingston the most beneficial. The new route from Bath to Port Antonio should be considered low priority for tourism purposes. It crosses the Blue and John Crow Mountains and makes them more accessible. But this is an area of outstanding natural beauty with a fragile environment and is not suitable for mass tourism. It can be accessed for low density tourism by upgrading trails and minor roads.

Of greater importance to tourism would be completing the upgrading of the A4 between Port Antonio and Kingston. Large sections of the road have already been upgraded. What is required is to complete the upgrading so that the time between Port Antonio and Kingston is reduced to under one hour. This would help improve the prospects of selling the resort to visitors.

It should be noted that no proposal to improve roads would be justified by benefits to tourism. The major benefits from all road schemes are the savings from vehicle operating costs and the implied value of time. Benefits to agriculture are likely to be larger than for tourism. The entire entertainment and transportation sectors of the industry generate under JA\$5 billion in revenue per annum and reducing their vehicle operating costs would not justify the upgrading of any road.

The GoJ has signed with the Government of India an agreement to rehabilitate the railway line between Kingston and Montego Bay. This is an attractive route that used to carry significant numbers of visitors as part of the Appleton Tour. Villages along the line made and sold crafts. The 40,000 visitors to the Appleton factory constituted an important means of livelihood for those villages.

The reopening of the railway can only be justified from the point of view of national transport policy. However, the railway does provide an attractive opportunity to increase the number of visitors to Appleton and other attractions along the line to provide opportunities for the re-birth of crafts. The railway should be promoted for tourism purposes when it reopens.

There is a potential conflict between reopening the railway and the construction of the motorway between Kingston and Montego Bay. Both follow the same alignment for a part of the route. A decision will need to be made on this issue, either permitting both uses, or favouring one over the other.

There is a proposal also to establish high speed ferry services between the three resort centres and from the resort centres to nearby heritage towns. This proposal is not justified on the basis of transport costs or journey time. It must be considered as developing an attraction. As such, it may prove viable to provide services from Negril to Lucea or Black River or Montego Bay to Falmouth at some stage, but this is a judgement to be made purely on commercial grounds, not from the standpoint of location strategy.

6.4 The Resort Centres

6.4.1 Carrying Capacity

The Carrying Capacity Study prepared by Desmond Hayle & Associates contains a useful analysis of the carrying capacities of the three resort centres, Montego Bay, Negril and Ocho Rios. The study analyses carrying capacity as a planning decision subject to multiple constraints. The constraints are grouped under these headings: social, physical/infrastructure and ecology. The findings for the three resorts were as follows:

	Present Carrying Capacity Status		
Constraint	Negril	Montego Bay	Ocho Rios
Social			
Housing (1)	Exceeded	Exceeded	Nearing capacity
Education	Exceeded	Within capacity	Nearing capacity
Health	Exceeded	Nearing capacity	Within capacity
Recreation	Exceeded	Exceeded	Exceeded
Community Centre	Exceeded	Nearing capacity	Exceeded
Unemployment/Poverty	Exceeded	Within capacity	Exceeded
Ratio of Visitors to Locals (2)	Within capacity	Within capacity	Within capacity
Ratio of coastline to Visitors	Within capacity	Moderate	Within capacity
Level of conflict between visitors and locals	Within capacity	Moderate	Within capacity
Infrastructure/Physical			
Water supply	Inadequate (3)	Adequate	Inadequate
Sewage	Adequate capacity - needs hook-up extension	Adequate capacity - needs hook-up extension	Adequate, needs hook-up
Solid Waste	Inadequate	Needs improvement	Inadequate
Electricity	Adequate	Adequate	Adequate
Road/Access	Inadequate - transport centre, roads	Inadequate - transport centre, roads	Inadequate
Airport	Adequate (4)	Inadequate	
Cruise Port	-	Inadequate	-
Town Planning	Inadequate	Inadequate	Inadequate
Land Availability	Good	Adequate	Inadequate
Ecology			Adequate
Wetlands	Threatened	Threatened	Threatened
Reefs	Endangered	Endangered	Endangered
Beaches	Beach erosion	Beach erosion	Beach erosion
Faecal Coliform	Exceeded periodically	Exceeded periodically	Exceeded periodically
Nitrate Concentration	Exceeded periodically	Exceeded periodically	Exceeded periodically

- Notes:
- (1) Carrying capacity for social indicators is defined in relation to the national average.
 - (2) In terms of Jamaican acceptance levels. Against the Caribbean, penetration ratios and tourism density ratios are on the low side in Jamaica.
 - (3) But improvements are underway that will result in adequate water supply.
 - (4) Defined in terms of current usage and aeroplane requirements.

These findings suggest that social, physical/infrastructure and ecological carrying capacities have been exceeded in all three resort centres, though critical physical infrastructure such as sewage and water supply is in place or is being provided for. Further, that the three resorts did not represent attractive communities in which local people could work, live and play and although there was, as yet, little resentment against the visitor, the contrast in living conditions between tourism and non-tourism areas was not conducive to developing a relaxed environment for either visitors or locals.

The conclusion reached for all three in terms of product life-cycle was that they had reached a mature stage of their development. Left to them, the prognosis was for growth to slow and finally tail-off as the product was now tired and would become progressively unappealing.

Whilst the solutions required to put each resort back on to a growth path are discussed individually below, there is an issue that is common to all three resorts. This is the critical issue of environmental sustainability and this is dealt with first.

6.4.2 Environmental Sustainability

The results above suggest that although ecological carrying capacity is exceeded, it is exceeded only periodically. This appears to contradict the reported die-off of the coral cover on the reefs along all three major resort centres and the reported problems of poor water quality in their lagoons. The ENGOs and marine park managers dispute these findings which are based mainly on the UDC water quality monitoring programme, the data of which is both infrequent and patchy in coverage.

They warn of the consequences that the continued growth of the resort centres may have on the destruction of reefs with consequent erosion of beaches and poor water quality affecting bathers. In short, the continued growth of the resorts could destroy the ecological balance and, in turn, damage the beaches and attractive bathing conditions on which Jamaica's tourism is based. The implication of this assertion would be that no further growth of the resort centres should be permitted.

This seeming contradiction between the view that ecological carrying capacity is exceeded only periodically and measures can be taken to increase it and the view that it has been exceeded to such a degree that a moratorium on growth is the only possible solution, must be resolved. The most authoritative treatment of the issue of environmental management of the coastal zone and measures to reverse environmental damage is a World Bank working paper, 'Integrated Coastal Zone Management of Coral Reefs: Decision Support Modelling'.

The paper examines the causes of the phase shift that has happened in Jamaica whereby the 50% coral cover reported in the 1970s is now reported to be less than 5% for much of the north coast with coral being replaced by macroalgae. It is this phase shift that lies at the heart of the concern over reef destruction and consequent erosion of the beaches.

Having examined the evidence and the many theories put forward for the cause of the phase shift, the paper concludes:

- (i) The phase shift that is destroying the reef is caused by a multiplicity of factors. Reversing the damage will require an integrated approach to coastal zone management, from ridge to reef;
- (ii) The important factors causing the phase shift are:
 - ▶ the damage caused by hurricanes;
 - ▶ the disease that killed off sea urchins in the Caribbean which feed on macroalgae;
 - ▶ the rise in water temperatures; and

- ▶ over fishing that has resulted in a sharp reduction in the number of fish that could keep the level of macroalgae under control, as observed by Hughes. However, the control of over-fishing, the main measure recommended by Hughes, will not be sufficient by itself to reverse the phase shift;

(iii) Nutrient levels (nitrates and phosphates) have increased, in some instances alarmingly, and are the cause of the eutrophication that has resulted in algae blooms that, in turn, compete with and kill off coral;

(iv) The rise in nitrates can be traced back to fertiliser used in sugar cane and other crops. The rise in phosphates can be traced to sewage;

(v) Other factors such as the growing sediment carried down by the rivers due to deforestation also contribute substantially.

The authors recommend ten principles for integrated coastal zone management. These principles are illustrated by the new plan prepared for the Montego Bay Marine Park Trust. The new plan comprises the following activities:

- (i)** new zoning for the marine park;
- (ii)** watershed management programme for the river;
- (iii)** alternative income generating activities for fishermen;
- (iv)** user fees for eco-tourism purposes levied on all users of the marine park, visitors and businesses;
- (v)** education programmes for school children and the community;
- (vi)** volunteer recruitment and public relations;
- (vii)** enhanced enforcement capability for fishery protection;
- (viii)** research and monitoring to track recovery.

This plan basically follows the principles adopted by the Montego Bay and Negril Marine Park Trusts and reinforces what is accepted best practice in Jamaica. Perhaps the most important contribution the paper makes to the debate on coastal zone management is the use of a model for decision making on cost-effective measures for encouraging the recovery of coral. It analyses the costs of eight measures and their likely impact on coral cover in Montego Bay.

The optimal trade-off in cost versus increase in coral cover is achieved by measures presented here in order of cost effectiveness (lowest marginal cost to increase coral cover):

- (i)** A system of solid waste collection for households in squatter settlements. Capital cost US\$72,000, cost of operation US\$36,000, gain in coral cover of 1.8%.
- (ii)** Constructing a sewage outfall and pumping sewage to take it out 5km beyond the reef. Capital cost US\$1.8 million, annual operating cost US\$72,000, with a gain in coral cover of 5.4%.
- (iii)** Aeration of waster from the light industrial zone. Capital cost US\$1 million, annual operating cost US\$1 million with a gain in coral cover of 1.63%.
- (iv)** Constructing a sediment trap on the Montego River at a capital cost of US\$6 million, operating costs of US\$330,000 p.a. resulting in a gain in coral cover of 3.2%.

The total capital cost of the four measures would be US\$8.9 million and operating costs US\$1.4 million. The total gain in coral cover would be 12%. The article also believes there is merit in imposing a 25% land tax on

all new building in the marine park area to reduce construction and hence pollution and to undertake some re-planting of the watershed to reduce run-off.

As the discharge of industrial waste is a problem specific to Montego Bay and one that is being addressed through the new sewage system and the relocation of the abattoir (see below), the measures recommended for all three resorts are solid waste collection from squatter settlements, construction of an outfall and pumping out to sea of sewage and the building of a sediment trap on the major river. The cost of these measures is estimated at US\$8 million in capital costs and operating costs would be US\$450 thousand. The result would be a 12% increase in coral cover.

In response to the Draft Master Plan, a number of adverse comments were received on the proposed construction of a sewage out fall with sewage pumped 5km out to sea. This was considered environmentally damaging and so unsustainable. The commentators suggested alternatives, the aim of which was to treat sewage further, to tertiary levels rather than the secondary treatment carried out presently. They proposed using sewage to grow crops and other solutions.

These comments are founded on environmental concerns and so must be taken seriously. However, the alternatives proposed are either not feasible, because they would take up too much land or so costly that they would present a very low 'return' per dollar invested, in terms of coral cover. The comments have been discussed with our environmental experts and the marine parks and the conclusion remains that for practical cost-benefit considerations, pumping treated sewage out to sea is the best alternative available.

In addition, the authors estimate that the construction of a centralised sewage system to cover 25% of the population should result in a 5.24% increase in coral cover. All the resorts now have centralised sewage. What is required is to increase the rate of hook-up.

Increased hook-up would also have an effect on the faecal coliform levels. The increase in faecal coliform levels occurs each year in the peak months of the tourist season with all three resorts reporting an increase in bacteria in January, after the peak tourist month of December. It can be traced back to the seepage of sewage from septic tanks and poorly treated sewage. With increased hook-up, the level of poorly or untreated sewage reaching the sea would be reduced.

The capital cost of hook-up is the main barrier to increase rates of connection to the sewage system. Costs vary from US\$1,000 to US\$10,000 per establishment. Currently, the main incentive to hooking up is the negative one of being charged for sewage even if an establishment is not connected, provided the property is within reach of a sewer pipe. This is not a sufficient incentive to connect, as many households and businesses claim lack of capital to pay for the connection.

It is agreed by most ENGOs that the right approach would be for the National Water Commission (NWC) to connect establishments and allow them to pay over 5 years, as part of their water bill. The NWC would have to raise loan finance to pay for the cost of connection, but the cost of finance could be passed on to the establishment. In addition, the cost of hook-up should be 100% deductible against tax in the year incurred. This should provide a financial incentive to those willing to put up their own capital for hook up.

It is recommended that NWC be tasked with implementing this recommendation as soon as possible. The GoJ could seek donor assistance in this field. When the two options of either investing in hook-up with tax relief provided for businesses or paying for hook-up over a five year period are in place, hook-up must be made mandatory in all three resorts.

In addition to these measures, it is important also to take two measures to improve the enforcement of marine park regulations:

(i) Make the marine park trust the lead agency for all government with regard to environmental management issues and form, under its leadership, a co-ordinating committee for all public sector organisations and NGO's concerned with environmental management. At present, in Montego Bay, there are nine agencies involved in environmental management. Each has some resources but not all that are required to work effectively with the results that there are boats without wardens and wardens without boats. There is a need to allocate responsibilities and with them the resources to undertake the task;

(ii) Increase the resources to the trusts involved in managing the marine parks. The sums allocated at present are very low. For example, NEPT in Negril works on a budget of only J\$12 million. A 50% increase would go a long way to improving its effectiveness as it would free it from constantly having to seek funds.

Lastly, there is an important policy change that must be implemented for the issue of solid waste to be dealt with effectively and that is to end the monopoly that the parastatal Parks & Markets corporation enjoys to provide this service. The organisation does not have the resources to fulfil its mandate effectively. Further, the principle of granting a monopoly to an unaccountable, central government organisation to provide local services must be questionable to say the least.

The responsibility for providing local services must lie with the local authority, usually the parish council or in Negril, the Negril Green Island Local Planning Authority (NGIALPA) and Kingston, Kingston and St Andrew Corporation. The local authority should be free to find the most cost-effective provider of the service, be it the regional Parks & Markets corporation, in-house provision or the selection of private contractors. Funds set aside by the local authority plus those currently provided by central government to Parks & Markets should be pooled to pay for services. Any shortfall in funds could be met through the levying of user charges. The selection of the service provider should be through open and transparent public tender.

In the sections below, a concept is elaborated to create partnerships between the public and private sectors to undertake development and provide public services in the three resorts. If such resort partnerships are formed, they may well serve as the ideal vehicle for organising the provision of solid waste services. The policy change to remove the monopoly and to empower the local authority remains a prerequisite.

It is recommended, that as a condition precedent on any further growth of the resort centres, the sum of US\$8 million in capital costs and US\$0.5 million in operating costs be given to the trusts managing the marine park in all three resorts, earmarked for the purposes set out above. The capital cost could be provided by the EFJ or donors and applications should be made to both. The operating cost of US\$0.5 million could be provided from tourism funds. Further, that NWC be tasked to implement a scheme to provide incentives for hook-up in all three resort centres and the provision of solid waste services be through open, public tender managed by the local authority.

The target should be for coral cover to return to above 20% on all reefs within the Master Plan period. Evidence from Discovery Bay shows that, in fact, by the control of over fishing alone, coral can make a significant comeback within a three year period.

6.4.3 Montego Bay

Montego Bay is Jamaica's principal resort, with an international airport and cruise terminal. In 1999 the number of rooms in the Montego Bay resort zone was 7,502 representing 33% of the country's room stock. The majority of this accommodation is in and around the town of Montego Bay itself. The original tourism development was in the town but tourism is now developing along the coast on the Airport to Rose Hall strip, on the Freeport peninsula and towards the west of town.

Montego Bay is Jamaica's second city and serves as the commercial capital for much of the north and north-west of the country. It currently receives over 370,000 stop-over visitors and 180,000 cruise visitors. Its population is estimated to rise to 250,000 by 2010. Room numbers are targeted to increase to just over 10,500 an increase of 40% or so from current levels. The measures recommended in the Carrying Capacity Study to ensure that the carrying capacity is increased to cope with the growth of population and visitor numbers are:

Measures to Increase Carrying Capacity

Social

- provide 7,500 housing solutions at a cost of US\$18.8 million
- match population growth with investment in education and health
- implement the sports and cultural complex at Catherine Hall – US\$20 million

Physical/infrastructure

- extend the sewerage areas to cover urban Montego Bay – US\$70 million
- extend sewerage as far as Lilliput – US\$30 million
- improve solid waste facilities for the town – US\$10 million
- implement the Montego Bay by-pass project – US\$40 million
- improve vehicular and pedestrian facilities in downtown – US\$15 million
- and in the Gloucester Avenue area – US\$2.5 million
- complete the airport expansion project
- develop recreational beach sites – US\$5 million
- enforce design guidelines and land use
- strengthen regulations and controls affecting coastal ecology
- complete port expansion – US\$40 million
- complete expansion of the cruise terminal and adjoining site – US\$10 million

Of these, investments in housing, education and health can be considered part of the normal investment in social infrastructure that Government would have to undertake to ensure that provision in Montego Bay was no worse than elsewhere in the country. The by-pass should be considered part of the North Coast Highway. The consultants took the view that sewerage is the only effective long term solution to sanitation in the resort centres of Jamaica. Alternatives such as septic tanks do not work because of the limestone terrain being extremely porous, the ineffective emptying of the tanks and the inevitable cheating that takes place with holes being drilled at the bottom. However, sewerage is an extremely expensive solution and the merits of other systems should not be overlooked, particularly for outlying areas.

In any case, extending the sewage system to the rest of the urban area of Montego Bay would be required as a result of the growth of the local population. It would serve mainly the local population and so the cost attributable to tourism would be limited, though no doubt tourism would benefit as the environment would be better protected than under current arrangements.

The proposal to increase the capacity of the port should be considered with caution, due to its environmental impact. The port is currently under utilised and its main draw back is the draught and limits on the length of ship it can accommodate as a result of the obstruction caused by a reef. For tourism purposes, the cruise

pier can only accommodate one large liner at a time of a length up to 640 feet. Whilst liners are getting larger, the fact is that at present the cruise port is far short of capacity and it should be able to carry the numbers envisaged in the Master Plan. If growth is more rapid, Port Royal is not developed and there is really no alternative, then the port expansion should go ahead.

Thus the important projects with direct relevance to tourism are:

- ▶ Catherine Hall sports complex;
- ▶ The extension of the sewage system to Lilliput;
- ▶ The solid waste disposal system;
- ▶ Downtown vehicular and pedestrian access;
- ▶ Gloucester Avenue;
- ▶ Expansion of visitor reception facilities at Sangsters Airport;
- ▶ The development of recreational beaches.

These projects, along with the environmental measures outlined above address only the issue of carrying capacity. There is a need also to address the run down resort that is no longer appealing to tourists or locals. The Greater Montego Bay Re-development Company (GMBRC) has produced a strategic plan for the area – “GMBRC 2014 Plan”. This envisages the population of the area rising to over 250,000 and assuming more regional centre functions. The plan envisages a number of new resort/tourism areas in the area, both coastal and inland; and proposes a detailed Waterfront Master Plan. The Waterfront plan includes a Festival of Culture Centre and a promenade linking entertainment, cafes, night clubs, cinema, museum, etc. Emphasis is placed on the importance of the environment to tourism, improvement to the historic downtown area around Sam Sharpe Square and proposals for eco-tourism along the Montego River. The Waterfront attractions include:

- ▶ the Waterfront Promenade and Entertainment/Business centre;
- ▶ the Festival of Culture Centre (Caribbean heritage park);
- ▶ a New Sports Centre;
- ▶ upgrading of Catherine Hall Entertainment Complex;
- ▶ a quality Downtown Hotel;
- ▶ Marine Park attractions.

The plan attempts to reverse the decline of the town as a resort centre. Once known for its night-life and relaxed atmosphere, there is currently little to entice a cruise visitor or stop-over visitor staying at one of the self-contained hotels along the Rose Hall Strip to visit town.

However, the plan’s formal adoption has been problematic. Although prepared by a private company, the plan has the approval of tourism interests and the local planning authority. To be adopted, it needs to be used to update the development order for Montego Bay. Disputes between the Ministry of Environment and Housing and the GMBRC on possible modifications to the plan have, to date, blocked this occurring. We understand progress is being made to adopt the plan formally. However, even if this occurs there are likely to be difficulties over its implementation. Although zoning will prevent alternative use, it is not clear how some of the key projects proposed will be financed.

The key to the successful implementation of the plan lies with the UDC, which owns parcels of land critical to the plan and is, by virtue of its Act, its own planning authority and hence not bound by the plan, even if it were to become the basis for an updated development order. UDC’s planning department has been working

on its plans (see map overleaf) and these comprise:

- ▶ The redevelopment of Gun Point, Walter Fletcher and Close Harbour Beaches for a mix of commercial and recreational use;
- ▶ The redevelopment of Pier 1 and the creation of a commercial centre and transport hub adjacent the CBD;
- ▶ The redevelopment, including the relocation of the abattoir, of the land adjacent to the Montego River for recreation purposes;
- ▶ A major redevelopment of the Freeport including a conference centre, yacht club and marina, recreational space and resort commercial development including apartments and office use (see map overleaf).

The UDC plans have yet to be adopted by the UDC Board. The plans for the Freeport were submitted to the Board of the Freeport Company, a subsidiary of UDC, which asked that they be amended so that the Freeport could remain a separate entity and not be opened for public access.

There is much in common between the GMBRC and UDC Plans. Though neither plan actually articulates the view, the principle that underlies them and should be the guiding principle of the redevelopment of this resort centre is that it must make the harbour, its original *raison d'être*, the centrepiece of the town. At present, with the exception of Doctors Cave, the town makes little use of its dramatic setting and beautiful harbour.

What is required is the complete redevelopment of the waterfront stretching from Gloucester Avenue (Hip Strip) to the Freeport. The whole of the waterfront should be redeveloped to include entertainment, recreation and shopping. The developments must as far as possible keep views to the sea and be set back the required distance. In the past, the construction of hotels on the seaward side of Gloucester Avenue has violated both the set back requirements and cut off views to the sea. Gloucester Avenue should become a pedestrian walkway with attractive side walks, cobble stones, lighting, trees and other foliage, litter bins and attractive shops, cafes, restaurants and stalls. Vehicular access should be restricted to necessary commercial traffic and residents and small, attractive mini-buses operated on a licensed basis with speeds carefully monitored.

The whole waterfront should have pedestrian access and restricted access by cars. This may require the building of pedestrian bridges and side walks. The CBD and historic centre around Sam Sharpe Square should also be connected with adequate sidewalks to encourage visitors and locals to leave cars parked outside the congested CBD and to walk through the centre.

The town is the ideal location in Jamaica to cater for groups and conventions. The airport and the attractive setting of the town with excellent beaches provides the minimum requisites for success in this market. Plans have been mooted for some time to build a conference centre and the UDC plan for the Freeport also includes a conference centre.

At present there are two sites being considered for the centre, along the Rose Hall coast and the Freeport. Each has its merits. The former has the advantage that visitors would not have to travel through the congested centre of the town. The latter has the advantage that the Freeport offers large parcels of land close to the heart of the town that would bring large numbers of visitors into the town itself.

The choice of site can be left to the investor. What is important is that preference is given to finding an investor willing to invest in an integrated large hotel with conference facilities attached rather than the plan mooted at present of building a stand-alone conference facility served by a number of existing hotels. This is not the preferred product for the groups and conventions market. Further, the attracting of an investor with a track

Montego Bay Freeport Plan

record in the US groups and conventions market would have the advantage also of securing the market access that the conference centre would need. None of the government agencies, including UDC, have the commercial contacts or experience of running conference centres successfully.

The cruise terminal also needs to be developed to provide an attractive experience to the cruise visitor. Currently, an unattractive arrival hall, with a few shops, is all that is available adjacent to the pier. There are plans to build an in-bond shopping complex and perhaps also a crafts market. However, what is required is an integrated development of the whole site to provide, within walking distance, restaurants, entertainment and shopping. If the Freeport company can be influenced to change its mind and serve the interest of Montego Bay and tourism, rather than its narrow self-interest, then the optimum plan would be to develop the Freeport to provide public bathing and recreation space that could be used by cruise ship visitors.

Much of what is proposed is of a commercially viable nature. The development of the site from Gun Point to Close harbour and the Freeport can be considered a commercial venture for UDC. Others such as the redevelopment of Pier 1 and the turning of Gloucester Avenue into a pedestrian zone is commercial but will require the co-operation of the owners of the property and the parish council. Projects such as the Catherine Hall entertainment centre, sports complex, Festival of Culture Centre are of a semi-commercial nature capable of producing an acceptable return if there is public investment alongside the private sector.

However, the sums involved could be huge. For example, the redevelopment of the Freeport with a conference hotel, with say 1,500 rooms could alone cost in the region of US\$250 million. Further, if the redevelopment of Gloucester Avenue requires the purchase and knock down of a hotel on the seaward side, it too may cost over US\$5 million. And, of course, it would become contingent on the participation of other property owners along the strip.

The ideal way to develop all these projects, including the purely commercial is by way of a private-public partnership, a Resort Partnership. This will safe guard that all development takes place in the context of and conformity to an overall plan such as that provided by the GMBRC. Further, it would ensure that so long as the projects proposed conform to the plan, they would receive the whole-hearted support of the public sector so that the delays and frustrations that are normally experienced by developers in Jamaica can be avoided. Mechanisms to forge these partnerships and undertake these priority projects are set out below.

There is a need to improve public services, particularly solid waste, street cleaning and the upkeep of public places. These too need to be addressed through private public partnerships as described below.

Secondary attractions and scenic routes and circuits in the Montego Bay area are the priority. The development of Falmouth would provide a world class heritage attraction nearby and the opening up of Accompong, as part of the proposed millennium project to establish a Maroon heritage park or as a more limited and perhaps more authentic development as a heritage site through assistance from the Heritage Fund would also prove attractive. Circuits to the west could include Lucea and with the completion of the North Coast highway, cover distances as far as Negril. The large number of small bays and communities along the coast are very attractive to visit. The development of circuits into the Cockpit Country and to river rafting on the Martha Brae and other attractions would provide the visitor with the variety of experience that would keep even a European long stay visitor interested.

Examples of circuits around Montego Bay are numerous. However the final decision on circuits should be made locally, by the resort board.

At the community consultations the following observations were made on the sections on Montego Bay in the draft plan:

- i) there is a need to rationalise land ownership between the parish council and UDC;
- ii) there is a need to consider also transportation for the town's residents. Commercial traffic should be excluded from the main arteries;
- iii) there is a need to involve local communities fully in plan development and implementation;
- iv) the key to providing an enjoyable visitor experience is a "Warm greeting and fond farewell". The airport should aim to offer service equivalent to Ritz Carlton concierge.

All those suggestions are worthwhile and call for action by the Resort Partnership for Montego Bay (see section 6.4.6 below).

6.4.4 Ocho Rios

Ocho Rios has developed rapidly around small villages to become a major resort, with Jamaica's largest cruise terminal. The tourism development now occupies much of the seafront. Tourism is now developing along the coast towards St Ann's Bay, which forms part of the greater resort area, and towards Oracabessa to the east.

The resort board area contained 6,784 rooms in 1999 but the resort centre itself is estimated to have some 3,500-4,000. The majority of the tourism accommodation is in eight large all-inclusive hotels. Apart from the 300,000 stop-over visitors, the town also received 583,623 cruise visitors in 1999. The local population is small as many workers live in adjoining squatter areas and towards St Ann's Bay.

Ocho Rios epitomises how the success of tourism, without continuous planning and investment, can overwhelm small communities and create social and environmental degradation. The presence of large squatter settlements and the congestion in the town centre, despite the by-pass, are evidence of inadequate planning. The commercial centre does not meet the needs of either locals or visitors adequately and there is a lack of recreational amenities and entertainment for both.

The town offers a poor experience for both cruise and stop-over visitors alike. Its main attraction, Dunns River, operates well beyond its carrying capacity. Others such as Fern Gulley are slowly being degraded by air pollution from traffic. Water quality in the lagoon is often poor as bathers, cruise ships and fishermen compete for the use of the bay.

The population of the town is expected to rise to 40,000 by the year 2010. The Master Plan target is to increase the number of rooms in the vicinity of the resort centre by 2000. The Carrying Capacity Study found that the ability to serve the existing room numbers had been exceeded in critical social and infrastructure facilities and that, as far as data was available, the coastal ecology and water quality was poor. It recommended that the following proposed or pending projects should be implemented.

Carrying Capacity Recommendations – Ocho Rios

Next Five Years

- provide 5,000 housing solutions at a cost of US\$37.5 million;
- construct a primary and secondary school at a cost of US\$2.25 million;
- complete the Bogue Water Treatment Plant (US\$15 million);
- provide a solid waste dump – US\$5 million;
- implement the North Coast Road, Segments 2 and 3;
- develop a by-pass to Fern Gulley – US\$3.5 million;
- construct a transportation centre at a new site and improve sidewalks – US\$10 million;
- upgrade airport – US\$15 million;
- upgrade port side facilities – US\$35 million;
- institute data collection on reefs and operationalise the Marine Park;

- develop recreational beach sites – US\$2 million;
- improve and enforce land use planning and regulations.

Next 5-10 Years

- Provide further housing solutions – US\$35 million;
- Develop sewerage for St Ann's Bay and environs – US\$30 million;
- Complete the White River water treatment plant – US\$25 million.

The need to provide housing and schools should be considered essential if Ocho Rios is not to suffer lower social provision than is available to other towns in Jamaica. Although a matter of dispute between NWC and other commentators, there appears to be difficulty in obtaining water for new developments in the Ocho Rios area. It is the contention of both NWC and UDC that there is sufficient availability of raw water in the area. NWC believes there is sufficient treatment capacity as well and the problems experienced may be due to distribution. Other observers believe that investment will be required to increase treatment and the distribution network will need to be extended. It would appear prudent to anticipate some investment in capacity and distribution.

A new solid waste dump is essential if the proposal to collect solid waste from squatter settlements is to be implemented on the grounds of environmental sustainability. The need to develop a new transportation centre at a different site to the current taxi stand is clear and evident. The upgrade of the airport will become less important with the completion of the North Coast Highway that should result in a substantial reduction in journey time from Sangsters Airport. The planned motorway from Kingston, intended to come on stream as early as 2003, would make access to Norman Manley less than an hour away and that would make the airport upgrading even less viable. This expenditure should, therefore, not be given priority.

On the other hand, the expenditure to upgrade visitor reception at the cruise terminal or at the Reynolds pier represents worth while investment. The growth of cruise tourism represents a major opportunity for the town and the key to continued growth is to upgrade visitor reception facilities. The port authority, in receipt of the head tax on cruise passengers, could attempt the project on its own. Or it could form a joint-venture with a private partner by offering the private sector investor a proportion of the cruise tax to make the venture attractive.

The need to improve public access to beaches is acute in Ocho Rios. The granting of exclusive licences to all-inclusive hotels has placed a significant part of the town's beaches out of reach of locals and domestic tourists. This should start with more effective use of the limited amount of beach front that is accessible followed by the selection of other sites for development as public beaches. Mechanisms for this are discussed further under Beach Policy below.

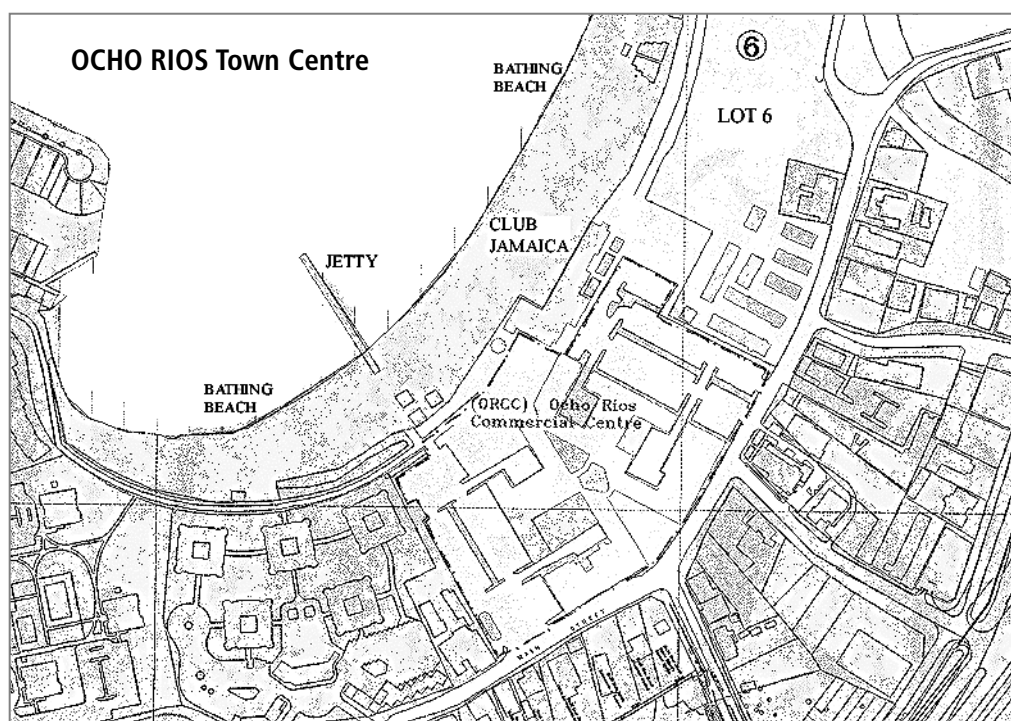
UDC, the original developers of the town, have plans also for the resort centre. The critical elements of the Plan are:

- ▶ The development of a walkway (Turtle walk) along the foreshore from the cruise terminal to the commercial centre. This is a proposal supported by the JTB and local leaders. Along the walk, there could be attractive stalls, displays, etc, that inform and interest the visitor (see map overleaf);
- ▶ The redevelopment of the Ocho Rios Commercial Centre (ORCC, see map) to provide a better environment for shopping, access to services and for food and beverages;
- ▶ The development of LOT 6 (see map) to provide entertainment venues (cinemas, theatres, etc);
- ▶ The development of the UDC property at Mansfield into a health centre and entertainment complex incorporating also the Great House.

These are exciting and imaginative ideas that are also essentially commercial in nature. With a little bit of

amendment through community consultation, they may help to turn the town into a vibrant resort. The principle underlying the redevelopment of the resort is, like Montego Bay, to make the focus of the town the bay that originally drew visitors and investment to Ocho Rios. At present, the artery of the town is Main Street which is unattractive and does not meet the needs of either locals or visitors.

The second principle is to make sure that the town's amenities cater for both locals and visitors but not at the same place. Economics alone should ensure that the more expensive waterfront properties cater for the visitor whereas away from the sea, the emphasis should be on providing amenities that local people can afford.



Translating these principles into the UDC plans would result in Turtle Walk remaining as planned but minor changes to other projects, as follows:

- ▶ The redevelopment of the commercial centre should aim to create an ambience of up-market shopping with boutiques and galleries to the fore. It could also house cinemas and theatres. This is prime real estate that is likely to prove expensive for the type of middle income supermarkets that are envisaged at present.
- ▶ Lot 6 represents one of the few sizeable pieces of property near to the waterfront that could be developed as a place that visitors could sit in the open air, enjoy cafes and local food, sample entertainment of a cultural kind and purchase art and crafts from stalls. The town lacks such space for visitors and locals alike. Lot 6 was thought of as a site for a potential craft village to display the manufacture of crafts. Whilst seeing crafts being made may be interesting to the visitor, the fact is that a prime retail site should not be used extensively for this purpose. What the town needs is a place where visitors and locals can sit and relax in semi-public space. The craft vendors need a site to retail their wares in addition to their crowded market.
- ▶ The Mansfield property or another well located site with access off the main road should be developed as a retail centre to serve the local population. The moving of supermarkets away from the congested centre would relieve pressure on the town and allow retailers to work to reasonable margins to pay for their properties. The Mansfield site is in fact large enough to house both the commercial centre by the road side and the proposed health centre adjacent the Great House.

A more controversial proposal is the development of the Fisherman's Beach into a recreation facility with venues for entertainment, food and beverages. The loss of yet another part of what was originally fishing villages to tourism would no doubt rankle with the fishermen. The loss of the Beach would result in a loss of their livelihood and no doubt compensation would be warranted. The fact is, that regrettable as this outcome may be, it is inevitable. The Beach is well located to the west of town and with minor adjustments, could be accessed directly from the existing cruise terminal and from the Reynolds pier. It could stand to receive a significant proportion of the 700,000 or so cruise visitors projected to visit Ocho Rios annually and cater for a significant proportion of the 500,000 or more stop-over visitors. This makes it prime real estate.

Already, developments are under way to develop the waterfront along the beach for tourism use. If the first succeeds, others will follow and the inevitable result will be the displacement of the fishermen. It would be better to anticipate this development and to assist the fishermen to have a stake in whatever development does take place. Hence a pre-condition of any development approval should be the roles envisaged for the fishermen in the development, how would they be assisted to fulfil those roles and what safeguards the developer would provide for the fishermen. The environmental impact assessment (EIA) for all developments should be required to address this issue.

The proposals above are, for the most, commercially viable and UDC is in a position to implement them. The sums involved are not as huge as for Montego Bay, though accurate costings have yet to be completed. Nevertheless, even the prime tourism related investment will amount to close to US\$100 million: some US\$35 million for visitor reception facilities, US\$10 million for the ORCC, US\$5 million for Lot 6, a similar figure for the retail centre and the health centre, a few hundred thousand for the development of Turtle Walk are the minimum items of expenditure.

It is recommended that the development of Ocho Rios also take the form of a Resort Partnership forged between the public and private sectors. The resort partnership would also run public services such as solid waste, street cleaning, the maintenance of public places, etc.

The hinterland of Ocho Rios has potentially excellent attractions. Apart from Dunns River, which is already over capacity, there is the Seville Heritage Park/Seville Nueva, which has great potential. Other attractions include Fern Gulley, Marcus Garvey's Birthplace and the historic centre of St Ann's Bay. A priority is to reduce pressure on Dunns River by developing St Ann's Bay and Seville as described in Chapter V.

There are a variety of circuits that could be developed from the town towards St Ann's Bay and its hinterland and towards the east with Oracabessa and St Mary and Firefly all within easy reach, particularly when the North Coast Highway segments are complete. Examples are provided overleaf, the final choice of routes must be made locally by the Resort Board.

At the community consultations held to discuss the draft plan, the following observations were made:

- i)** concern was expressed that the excessive numbers of all-inclusives was hampering the growth of other tourism businesses such as small restaurants;
- ii)** it was recognised though that well run attractions could work successfully with the all-inclusives. However, poorly run attractions had no future in the industry and should be closed;
- iii)** There is a need for proper dialogue between the local community and the tourism industry on local issues;
- iv)** the state of the craft markets deserves urgent attention;
- v)** Cultural/heritage tourism should feature prominently in the tourism experience. Seville and St Ann's Bay are the place to start.

These comments are all valuable. The Master Plan addresses most of them. However, what is essential is that when the Resort partnership is formed for Ocho Rios, the community exercises a strong influence on development plans for the town.

6.4.5 Negril

Negril is characterised by its rapid expansion from a village, without the necessary accompanying social, environmental and infrastructure provision. Although some measures have been taken recently, there is urgent need for major programmes to be undertaken to both improve the product and provide social and physical improvements to the growing town of Negril. Currently, there is no centre of the town to provide civic facilities for local people and shopping, relaxation or entertainment for visitors and locals.

In 1999 the number of rooms in the Negril resort zone was 5,048, the vast majority of which were centred on the 7 mile stretch of beach, from the west end to Bloody Bay (see map overleaf). The resort received 241,000 visitors in 1999 and this should increase to 400,000 visitors as a result of the 3,500 new rooms planned for the resort. The town's local population is expected to increase to 30,000 by the end of the plan period.

In recognition of the fact that town's carrying capacity had been exceeded for important social, infrastructure and environmental indicators, the Carrying Capacity Study recommended the following measures:

Carrying Capacity Study Recommendations

Next 5 Years

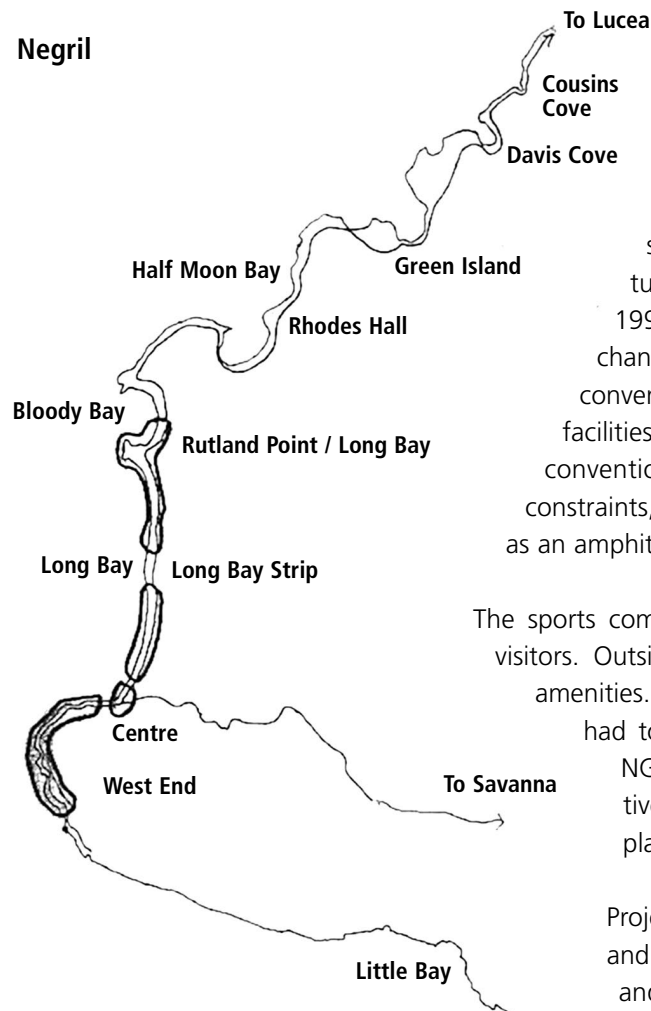
- provide 1,500 housing service lots in Whitehall – US\$15 million;
- develop primary schools at Whitehall and Orange Bay – US\$0.75 million;
- implement the Medical Complex at Orange Bay – US\$21.5 million;
- develop Negril town centre with retail, commercial, light industry, with a transport centre, a second river bridge and other civic facilities – US\$36.65 million;
- create a Sport Complex at Whitehall – US\$5 million;
- strengthen the NGIALPA – US\$11.8 million;
- implement Phase 1 of the Water Supply upgrading – US\$16 million;
- extend the sewage system to Bloody Bay and Ireland Pen – US\$15 million;
- create proper waste disposal facilities – US\$10 million;
- improve road drainage;
- develop public recreational beach areas – US\$1 million;
- establish systems for monitoring and control of beach erosion;
- enforce development and land use guidelines.

Next 5-10 years

- provide an additional 3,500 serviced housing lots – US\$35 million;
- upgrade the health centre and nearby hospitals;
- develop a sidewalk programme and provide a new West End road – US\$2.25 million;
- provide a by-pass from Sheffield to Orange Bay – US\$1.5 million;
- relocate the Airport – US\$35 million.

Housing, education and medical facilities lag behind the national average and there is a need to invest in upgrading immediately. The development of the town centre is essential. Negril has become a sizeable town and its population is growing rapidly at over 6% p.a. It must have a town centre. The area around Whitehall has been earmarked for this purpose. UDC owns the bulk of the land required but may need to acquire the rest from other government departments and from the private sector. The precise configuration of the centre

is being studied at present by UDC. What is required is open community consultation to ensure that the plans that result meet with local aspirations.



Allied to this development should be the re-development of the site on which the current craft centre stands. The site should form the focal point for shopping, relaxation and entertainment for visitors. The whole site needs to be redeveloped to provide an attractive setting for selling art and craft, with an open air area for cultural entertainment and cafes and restaurants. The 1994 Negril Development Plan (TPD) recommends changes to the centre to include an amphitheatre, convention centre, reorganised craft centre and other facilities. Whilst Negril is not as good a location for a convention centre as Montego Bay due to transport constraints, developing a venue for the performing arts such as an amphitheatre may well prove a viable venture in Negril.

The sports complex is required to serve both local people and visitors. Outside the all-inclusive hotels, there are few sports amenities. The town straddles two parishes and hence has had to have its own planning authority. However, the NGIALPA is under resourced and has proved ineffective in either enforcing the development order or to plan and co-ordinate the development of the town.

Projects are in fact under way to improve water supply and to extend the sewage system, the former by NWC and the latter by UDC which is developing Bloody Bay and has plans for Ireland Pen. The need for a properly managed solid waste dump has long been recognised and should be undertaken immediately.

The long term solution to the town's traffic problems lies in building a by-pass. There is a need also to build sidewalks and improve drainage along the Norman Manley Boulevard and to make the present west end road one way with larger sidewalks. The movement of pedestrians in this area, once the heart of Negril, is now extremely difficult. The public beach needs to have its facilities upgraded and then franchised to an operator that would be able to ensure its upkeep, as described under beach policy below.

The airport's upgrading is no longer a priority, as noted earlier. What is important, however, is that the element of the plan for relocation that involved developing an up-market commercial centre should not be abandoned by UDC. The development of large hotels along the Long Bay, Bloody Bay and Ireland Pen strip planned by UDC as well as the existing hotels in Long Bay require such commercial facilities. Apart from shops, banks and other service providers, restaurants, a cinema and perhaps even a theatre may prove viable.

Negril is currently the third largest of the resort centres. There is ample land allocated for development, with UDC having some 120 acres in Long Bay and 141 in Bloody Bay available for development, which at the recommended density of 15 rooms per acre would accommodate nearly 4,000 new rooms. In addition UDC has a further 105 acres at Ireland Pen, where it intends to develop a golf complex. There are also small in-fill areas within the general resort area.

Further out from the resort centre, beyond Orange Bay and beyond the West End Lighthouse, there are other areas of potential, but it is not considered that development should take place until the main resort area has been improved and consolidated. The number of new rooms envisaged is 3,500, which should be accommodated easily, provided social, physical and environmental measures are also taken to increase carrying capacity.

Negril is an ideal candidate for a Resort Partnership. Whilst the development of Bloody Bay and Ireland Pen are commercially attractive and can be left to UDC to undertake with or without other private sector partners, the development of the town centre and the redevelopment of the craft centre as well as building side walks and improving roads are a mix of commercial and social development that the resort partnerships are designed to be the vehicles for. The resort partnership could provide services such as solid waste and the maintenance and upkeep of public space.

Critical to the development of the resort is to provide attractions within easy reach of visitors. A characteristic of Negril is the limited number of attractions in the immediate sub-region, with Rhodes Hall and the Golf Club, the most notable. Tours go further afield to attractions such as Black River, Dunns River, Croydon and Belvedere.

A possibility in Negril is to develop the lighthouse as a museum and to develop the Great Morass for eco-tourism. The two ventures need to be adopted by an NGO such as the Friends of the West End in the case of the lighthouse and the NEPT in the case of the Great Morass and submissions made to the Heritage Fund and TPDCo for assistance in developing the attraction. The development of Lucea and the many little bays along the coast bays such as Little Bay and Half Moon Bay, that have potential for small scale low density tourism within a community setting, would also represent valuable additions. There is a need to develop circuits that link the attractions.

At the community consultations held on the draft Plan the following comments were made with regard to the plan for Negril:

- i) UDC should reconsider the proposal to develop the airport. Local people believed that the upgrading of the airport was necessary;
- ii) the town needed a conference centre;
- iii) environmental concerns over the erosion of the beach, the morass, the Royal Palm Reserve for which NEPT has now obtained a lease and the pumping of sewage into the South Negril river needed urgent attention;
- iv) small businesses are the only way jobs can be created in Jamaica. Over 90% of businesses in the tourism industry are small. They deserve special attention and support.

The Master Plan includes monies for NEPT to improve environmental management and support for small businesses is documented in the next chapter. The first two suggestions are aimed at UDC. In the future, they should be the subject of discussion between the local community and the UDC, through the Resort Partnership established for Negril.

6.4.6 The Concept of Resort Partnerships

The sums involved in redeveloping the resort centres, even the sub-set of projects with direct relevance to tourism that do not involve infrastructure, are large. They involve projects that are of a commercial or semi-commercial nature that require also the participation of local businesses and the parish councils and providers of utilities and municipal services.

If these projects were left to the public sector they would end up as the responsibility of UDC. Even UDC

would, however, struggle to raise the resources and implement projects across the three resorts simultaneously and the organisation would end up carrying project risk that would be large in relation to its resource base. UDC must take the lead in these projects, but it must forge partnerships with the private sector and other public bodies to implement them. The form of the recommended partnership is described below.

The rejuvenation of the resort centres has both public interest and commercial aspects. Whilst the development of commercial complexes can provide attractive returns to investors, the building of civic infrastructure and investment to improve the built environment for local residents and visitors, are of a public interest nature.

In addition, the rejuvenation of the resorts requires that individual projects be carried out in the context of an overall plan so that the end result is a rational use of land to cater for the needs of both visitors and local residents. Thus commercial projects need to be undertaken under public sector planning and supervision.

Undertaking the rejuvenation of Jamaica's resort centres will, therefore, require a partnership between the private and public sectors, to generate the large amount of investment required and to ensure that both public and commercial interests are served. In such a partnership, the public sector must take the lead to ensure that development takes place on the basis of an agreed plan.

Whilst the bulk of the investment would come from the private sector, the public sector's participation would serve as catalyst and facilitator for such investment, meeting any gaps in resource mobilisation and overcoming problems in obtaining approvals. The public sector would put together packages for private investors, invest alongside and assist the private investor with implementation.

The projects envisaged require the involvement of more than one government ministry and agency. The ministries of Local Government, Environment and Housing and Tourism have a direct interest. UDC owns the prime sites in the resorts and has a very useful role to play in putting together investor packages with the possibility of it taking an equity stake in the project, in the form of the land it owns or could be vested in it, and/or offering its services as developer. TPDCo has a crucial role to play in the development of the tourism product. Thus the rejuvenation of the resort centres requires also a partnership between government organisations.

Lastly, resort centre development will call for a partnership between the private and public sectors and local communities represented by the parish council and community organisations. They are the key recipients of the benefits of the rejuvenation of the resort centres and so must play a pivotal role in planning and implementing development. Often projects that require the redevelopment of sites, for example Gloucester Avenue in Montego Bay or the West End Road in Negril, require a vehicle for those who stand to gain from the venture to invest in it. The chambers of commerce can play a vital role in bringing together these local interests if they are not organised already.

In view of the need for a series of partnerships, taking account of the recent trends in the US and Europe to mobilise private finance to undertake the development of towns and cities, it is proposed to establish in each resort, a Resort Partnership. The partnership could be made up of representatives of the parish council, community organisations, private sector organisations such as the chamber of commerce, the local chapters of JHTA and other tourism organisations, government ministries, the utilities and UDC. UDC could serve as the secretariat for the partnership.

The Resort Partnership could develop a plan of action for the redevelopment of the resort, based on existing plans and development orders, prioritise projects and develop investor packages, use JAMPRO to mobilise investor interest and hold tenders to identify the best investor. It could liaise with NIBJ and NDB to fill any financing gaps.

The investor packages could combine commercial development with the provision of civic infrastructure. The selected investor could thus be given the opportunity to carry out the commercial development of real estate provided they, alongside UDC, were willing also to invest in civic projects.

Although the organisation may not have legal status or statutory powers, its authority would derive from the support given to it by its member organisations. It would be acknowledged by GoJ to be the body responsible for resolving all impediments to the rejuvenation of the resort centres and as enjoying the support of Cabinet.

The Partnerships could also participate in ensuring that public services are provided effectively and efficiently and visitor security is assured. They could pool the resources available to the parish council, the central government ministries and government agencies to launch tenders for the provision of public services against which existing and potential new service providers would be required to compete. The private sector would be expected to contribute through user charges. The winning bid would be entrusted with delivering services under the careful monitoring and supervision of the Partnership.

In summary, the Partnerships could be responsible for the redevelopment of the resorts and the provision of public services. They could ensure the adequate provision also of public services so that visitors and local residents are able to interact in a clean and safe environment.

An idea that has often been mooted in Jamaica is that of a 'czar' for each resort centre. As the parish councils are concerned with the parish as a whole, they are not able to devote the resources and time to manage these growing towns and cities. Further, ensuring co-ordination between the large numbers of organisations involved appears to be near impossible.

Clearly, taking away responsibility from local government and giving it to an unelected office would represent a retrograde step: the local government reform programme has been necessitated by the erosion of local accountability in Jamaica. The idea is not, however, without merits. If the Resort Partnership were to appoint a single co-ordinator to work with all the agencies involved, using the proceeds from its development projects and service provision to fund the office, then that person and his/her team may well be able to co-ordinate activities between the agencies.

Each Resort Partnership would be responsible for selecting their own priority projects. Based on the current development plans and/or development orders, the types of projects that may be given priority by the Partnerships in the three resorts are outlined below.

Negril

- ▶ Redevelopment of the town centre to provide a focus for the resort including the craft market;
- ▶ The development of sidewalks and drainage along Norman Manley Boulevard and the redesign of traffic flows through the town, including a by-pass;
- ▶ The redesign of the west end road to improve pedestrian access.

Montego Bay

- ▶ The redevelopment of Gloucester Avenue and the development of the UDC lands from Gun Point to Close Harbour Beach;
- ▶ The redevelopment of Pier 1 and the whole adjoining site;
- ▶ The redevelopment of the cruise terminal and adjoining land.

Ocho Rios

- ▶ The development of reception facilities for cruise visitors;
- ▶ The redevelopment of the ORCC and Lot 6;
- ▶ The development of Mansfield;
- ▶ The development of the Fisherman's Beach.

These projects would complement the work currently under way to resettle or upgrade squatter communities in the resort towns and investment in infrastructure. They would be accompanied by initiatives to improve public services, improve security and mitigate environmental damage.

The resort partnership is a new and, as yet, untried concept in Jamaica. It needs to be piloted to test its validity and to gain insights on possible modifications that may make the concept more widely applicable. It is, therefore, proposed that the concept be tested at Gloucester Avenue as the first stage of the redevelopment of Montego Bay and the development of Negril town centre. These projects should address the oldest and largest resort and the one that lacks the basic civic infrastructure.

The local chamber of commerce has proposed a plan to establish a pedestrian zone and to develop the whole of Gloucester Avenue into an attractive area for shopping and relaxation. The widening of pavements, possible use of cobble stones, attractive lighting, planting of trees, shrubs and flowers as well as modifications to provide improved sight lines to the sea would, in conjunction with the 'Hip Strip' initiative being taken by local businesses, help turn this street into a visitor attraction.

The creation of a pedestrian zone would allow low key policing by the resort patrol and the constabulary to provide a secure environment for shopping and relaxation. The provision of litter bins and improved street cleaning, financed mainly out of user charges, would provide a clean environment.

The establishment of an attractive pedestrian zone to which visitors and residents would be drawn would form the starting point for the development of the whole Avenue, a process in which the UDC has a major role to play. The land owned by the corporation at Gun Point, Walter Fletcher and Close Harbour beaches would become prime real estate. UDC would then be able to fulfil its plan to develop the site as a mixed shopping, food and entertainment venue, with leisure and recreation amenities, through a joint venture with private interests.

Indeed, the successful development of the Avenue would build momentum for the redevelopment of all of Montego Bay, along the coast and towards the city centre. Like most redevelopment programmes, what is required is a catalyst and this role Gloucester Avenue is ideally placed to fulfil.

The plan to develop a town centre for Negril has been in existence for some time and has been endorsed by the chamber of commerce and the NGIALPA. UDC has been working on the plan recently. The town centre would be an ideal project to illustrate how a mix of commercial and civic development can be combined using the resort partnership concept. It would also show to the people of Negril how tourism can not only provide a livelihood but serve also as the vehicle for social upliftment.

The projects would be undertaken using the Resort Partnership concept to ensure effective co-ordination and resource mobilisation. What is required is for Cabinet to endorse this concept and to sanction the pilot projects. The authority of the Government should be used to ensure the co-operation of all agencies and ministries and the active participation of the parish council in the projects. The necessary approvals required to make the Avenue a pedestrian zone and to designate the area around Whitehall a town centre should be provided expeditiously by all concerned.

The key stages in implementing the project would be to:

1. Form the Resort Partnerships;
2. Finalise, through public consultation, plans for the redevelopment of Gloucester Avenue and Negril town centre, specifying any compulsory or voluntary purchase required and the total cost;
3. Agree the structure of financing including the proportion of the equity that would be kept by UDC, the way that existing property owners would contribute and invest, what public funds would be invested, either in cash or as foregone property taxes and how the public sector would be reimbursed;
4. Develop tender documents for private sector participation and establish a mechanism for mobilising investors and vetting tenders. Charge JAMPRO with investor mobilisation;
5. Publish the tender and evaluate bids.

As the concept is new to Jamaica, expertise for the pilot projects could be provided by donor agencies. Experts with experience in drawing up tender documents for private-public partnerships could be tasked to oversee the process. Of course, the underlying concept is not new in Jamaica. The Kingston Restoration Company and TAP, TPDCo's predecessor, used the same principle and Highway 2000 will also represent a form of a public-private partnership.

6.5 Other Resort Zones

6.5.1 Portland

The resort zone is the jewel in the crown of Jamaica's tourism. Apart from the delightful town of Port Antonio, with its twin harbours, the region contains superb natural assets including the Blue and John Crow Mountains and the heritage that is vested in Titchfield Hill and the Maroons of Moore Town. The region is rich in culture with a long tradition of folk music and dance and cuisine. The people's aspiration, as articulated by CBOs, NGOs and politicians, is to develop low density tourism, based on the development of heritage assets in a community setting. The area's ecology demands environmentally sensitive development.

Currently, tourism is centred around the attractively sited town of Port Antonio but is limited in scale, partially due to the difficult accessibility from both Kingston and Montego Bay airports, but also due to the high rainfall of the region and the dangerous western beaches. The distance from the airport is a barrier in the mainstream US market because of the short length of stay.

In 1999 the Resort Board area had 905 rooms, of which 397 were in hotels and the remainder in guest houses, villas and apartments. The accommodation is small scale with no hotel over 100 rooms. Most accommodation lies in an 8 mile stretch east of the town of Port Antonio and includes many properties set back from the coast. There is limited, small-scale accommodation on the west coast between Port Antonio and Hope Bay.

The resort zone received just 15,302 visitors in 1999 and hotel occupancy was low at just 23.4%. The low occupancy reflects the poor accessibility of the resort and the inappropriateness of Jamaica's reliance on the mainstream US market for resorts such as Port Antonio.

The UDC is preparing a North-East Coastal Plan (including St Mary and Portland) and proposals are under way for the Titchfield Project to restore the fort and hill area as a tourist attraction. Infrastructure is urgently needed and a Port Antonio sanitation study has been carried out. Segment 3 of the North Coast Highway would reduce the journey time from Montego Bay. The major projects required for this potentially outstanding resort to realise its potential are:

- A new layout for Port Antonio, as set out in Chapter V, to make the waterfront accessible and attractive and to ease congestion in town;

- ▶ The development of Titchfield Hill as a major heritage attraction;
- ▶ The divestiture and subsequent development of Navy Island so that the potential of this attractive site, with its links to Errol Flynn, is realised. Divestiture by FINSAC would help provide momentum for the whole resort board area;
- ▶ The construction of a marina at the site of the present yacht club and the promotion of Port Antonio as a yacht destination through the holding of international regattas, at a cost of approximately US\$10 million;
- ▶ The installation of sewerage to preserve the environment of Port Antonio at an approximate cost of US\$8 million. The upgrading of solid waste facilities through investment in garbage collection;
- ▶ The establishment of Morant Bay and Moore Town as heritage towns;
- ▶ The upgrading of roads and trails to provide better access to the Blue and John Crow Mountains and to Moore Town and Bath. The Boston and Nonesuch Roads need to be improved and two bridges – Norwich and See Me No More – need to be repaired;
- ▶ The development of circuits linking Port Antonio to the various attractions including rafting on the Rio Grande, the Nonsuch Caves, Somerset and Reach Falls, Folly and the great houses of the parish;
- ▶ The holding of regular events such as the Jerk Festival with additional cultural events to promote the region's cultural heritage;
- ▶ Marketing the town to European and Canadian long stay visitors and to segments of the US market such as VFR, African-American, mature market and to the yachting and sailing segment in the US and Europe;
- ▶ There is a need to develop public beaches;
- ▶ Increasing the number of international flights that land at Norman Manley Airport;
- ▶ Upgrading the A4 to improve road access from Norman Manley Airport.

The draft Master Plan rejected the idea of upgrading the Ken Jones Airport, preferring instead the upgrading of the A4 from Kingston to Port Antonio. This was hotly debated during the community consultation held in Portland to present the draft of the Master Plan. Politicians, community leaders and local people argued strongly for upgrading the airport.

Having considered the views expressed, on cost-benefit grounds, the upgrading of the A4 remains the preferred option as:

- i) in terms of time taken, an upgraded A4 would still be marginally quicker. Even if Ken Jones was upgraded and its runway extended, the nearest international airport would remain Norman Manley. (It would be hugely expensive to upgrade Ken Jones to take commercial medium and long-haul jets and the investment could not be justified by passenger numbers.) The time allowed for transfer to another aeroplane is two hours. Allowing for a short flight, deplaning, collecting luggage and transfer to hotels, the trip from Norman Manley to the hotel is likely to take 3.5 to 4 hours. The trip by road is likely to take less time;
- ii) road transport is likely to prove much cheaper than air.

However, if the sentiment in support of upgrading Ken Jones remains strong, it is recommended that a meeting be held to consider the two options. Participants should include representatives of the Ministries of Tourism and Transport, the airports authority, local leaders and tourism interests.

Consideration is being given to extending the Resort Board area further towards Port Maria. And, as stated

earlier, it is appropriate to link St Thomas, which offers the potential also for low density tourism, with Portland (see map opposite).

6.5.2 South Coast

The South Coast is the largest Resort Board area and extends into the mountainous interior. At present, tourism activity is limited although there are indications that pressure for development is increasing. In 1999 the Resort Board area had 737 rooms, of which 358 were in hotels and the remainder in guest houses, villas and apartments. Accommodation is dispersed in various locations:

- ▶ Treasure Beach area: along a 2 mile stretch of coast, includes some 17 small hotels and cottages, none with more than 36 rooms;
- ▶ Black River: the attractive seafront has accommodation and other facilities;
- ▶ Mandeville: provides “Hill Town” accommodation with recreational facilities that are popular with returning immigrants and VFR visitors;
- ▶ Milk River Spa: a single hotel and mineral baths.

In 1999, occupancy of the zone’s hotels was 37.5%, a level that may be considered unacceptably low but which represents an improvement on the situation that has prevailed for much of the 1990s. The resort zone is principally an area that foreign tourists visit on day tours from Negril and Montego Bay.

The attractions of the area are very varied and some such as Black River, YS Falls, Appleton Rum factory have been able to attract the attention of Jamaican tour operators. Others such as Milk River, Mandeville and Alligator Pond are primarily used by domestic tourists.

The Resort Boards

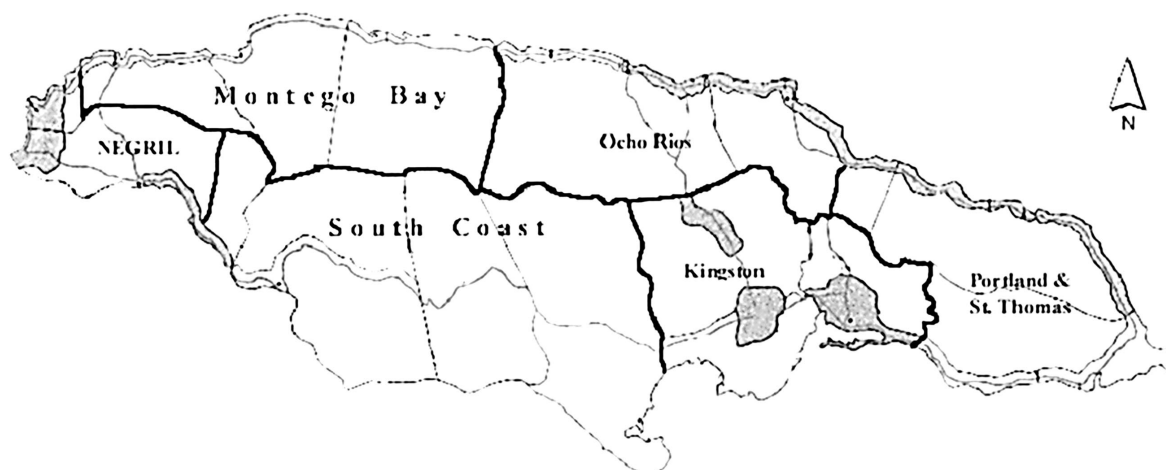
A proposed new resort is planned just north of Whitehouse and this, together with major new residential developments in the area, may lead to considerable urbanisation in the area. The Whitehouse proposal represents the type of well intentioned ribbon development along the country’s coast that has the potential to destroy the fragile environment. A four hundred room all-inclusive is planned that would cause a small village to expand well beyond the capability of its infrastructure to support it. The project appears to be going ahead. If it does, it will be essential to use the Parish Infrastructure Programme or other sources of funds to improve sanitation, solid waste disposal and to provide water for the community, the population of which will increase sharply.

The area has been studied recently and a plan developed for sustainable development. The South Coast Sustainable Development Study is comprehensive and covers the area from Great Salt Pond in Hellshire to the boundary of the Negril Green Island Development Order extending some 11km inland and 20km seawards. The plan was produced after considerable consultation with communities.

For tourism, the plan recommends low density development of small hotels and non-hotel accommodation. It aims to focus on developing the region’s outstanding heritage assets. Its stated aim for tourism is:

To stimulate tourism growth in the south coast region and diversify the national tourism product. The proposed tourism model builds on the resources and distinctive character of the south coast. The emphasis is on nature and heritage based tourism, community involvement and local economic linkages. Growth is to be achieved through: conservation of natural and man made resources of tourism and recreational importance; upgrading existing accommodation and attractions in order to improve occupancy levels; selective development of new tourism and accommodation and attractions in appropriate locations; and co-ordinated marketing of the south coast.

The Resort Boards



Though not stated explicitly, the strategy seems to be to utilise the tourism potential of the region for day visitors, two centre holidays and long stay visitors. The region does not have the ecology to support high density tourism nor the large numbers of white sand beaches. It could, however, prove very attractive to the VFR visitor and those African-American and European visitors keen to experience authentic Jamaican culture. Its small towns and rich variety of heritage assets are ideal for this purpose and the accommodation provided would suit such long stay visitors. The implementation of the Highway 2000 project would make this strategy viable and attractive.

The Study recommends the designation of the region's natural attractions as nature reserves, national parks, national protected landscapes, managed resource protected areas, species/habitat management areas and marine species/habitat management areas as follows:

Designate the following protect areas in accordance with the World Conservation Union (IUCN) classifications and the NRCA Act of 1991:

- ▶ **National Nature Reserves** – Kemps Hill, Clarendon; Big and Little Half Moon Cays, Great Goat Island and Salt Island, Portland Bight; and Hellshire Hills (south west), St Catherine;
- ▶ **National Parks** – Hodges and Font Hill, St Elizabeth and Canoe Valley, Manchester and Clarendon;
- ▶ **National Protected Landscapes** – Westmoreland Highlands, Westmoreland; and Fort Charles to Alligator Pond, St Elizabeth;
- ▶ **Managed Resource Protected Area** – Black River Morass, St Elizabeth;
- ▶ **Species/Habitat Management Areas** – Cabarita Swamps, Westmoreland; Milk River/Macarry Bay, Clarendon; Carlisle/Jackson's Bay, Clarendon; Portland Ridge, Clarendon; West Harbour and Cockpit Saltmarsh, Clarendon; Pigeon Island, Portland Bight; Brazilletto Mountains, Clarendon; Galleon Harbour wetlands, St Catherine; and Hellshire Hills, St Catherine;
- ▶ **Species/Habitat Management Areas (Marine)** – Bluefields and Whitehouse Bay, Westmoreland; Alligator Reef, Manchester; West Harbour, Clarendon; Welcome Bay, Clarendon; Manatee/Coquar Bay, St Catherine; Wreck Reef, St Catherine; Galleon Harbour, St Catherine; and Great Salt Pond, St Catherine.

The region contains some of the most spectacular and endangered fauna of Jamaica including crocodiles and

manatees. It also contains areas of exceptional beauty and rare habitats such as the Black River Morass and natural phenomenon such as the baths at Milk River that are known to be over 50 times as active as the baths in Baden, Germany. It deserves to have these national assets developed on eco-tourism principles. The franchising of these assets for development and management purposes should be pursued actively.

The region contains over 450 cultural heritage sites. The inventory produced by the Study illustrates the diversity of archaeological, historical, natural and ethnographical sites of the area. It is proposed that all appropriate sites be designated as protected national heritage if not national monuments to ensure their preservation.

Further, it is proposed that JNHT designate three historic areas or zones, on the same basis as the historic triangle or Falmouth. These areas are Black River, Savanna-La-Mar and Malvern. The Black River Heritage Area should be given priority. The town has a fascinating history and a rich built heritage that could combine with the tours up the Black River to view crocodiles to form a major focal point for tourism.

The Study documents also the vibrant culture of the region with its tradition of African dance and music and rites of passage. The area is well known for basket and leather work and Bamboo. The cuisine of this area is also well known and, as proven by the recent shrimp festival, can serve to attract domestic and VFR visitors as well as culturally sensitive foreigners. This is a zone that would benefit from a larger number of community based festivals and events.

The community consultation in this resort zone highlighted the huge numbers of potential attractions including:

- ▶ Clarendon has 26 spots that could become tourist attractions plus an exotic ant eating plant on the border at Mason River and there is a proposal for a Spanish Trail in Clarendon;
- ▶ Milk River and Great Bullhead mountains, Canoe Valley, Alligator Hole, Jackson Bay Beach and St Peter's Church have great potential;
- ▶ Manchester also has a large number of attractions that could be developed;
- ▶ The Black River area has huge potential for trails from Lover's Leap to the great Pedro Bluff.

The major problem with developing attractions is the lack of expertise for project development. Financing and infrastructure, in the form of poor access to roads, are also problems.

The consultations revealed the need to improve the enforcement of planning regulations. There was a need also to implement the South Coast Development Study's recommendation to reduce planning density in the Treasure Beach area from twenty rooms per acre to ten.

The Study estimated that the area could carry an additional 810 rooms, not including the new resort at Whitehouse. To the west of the region, the prevalent accommodation would be small hotels of up to 50 rooms. These could be accessed from the airport at Montego Bay. The rest of the area would comprise guest houses, villas and apartments in a community setting. No resort would have more than 350 rooms to ensure that environmental and social degradation was minimised. In fact, the Master Plan target is lower at 500 rooms.

The South Coast is fortunate at being presented with a major opportunity to preserve its heritage assets and develop tourism related infrastructure and address the sustainable development of its fishing industry. The South Coast Development Study is about to move on to its second phase which will address the feasibility of projects and vehicles for implementation. The Inter-American Development Bank has earmarked US\$16 million for investment in the resort zone.

One of the South Coast's organisational assets is its Resort Board, which is a pro-active institution that is also broadly based with strong community representation. The Board provides a useful vehicle for influencing the outcome of the next phase of the South Coast Development Study. It must lead and direct the consultants working for the IDB to help local communities articulate and prioritise their needs and to plan accordingly.

6.5.3 Kingston

The current Kingston Resort Board area is very varied, ranging from the capital and business centre of Kingston, to the Blue Mountains of St Andrew and the remoter areas of St Thomas where there is little tourism activity. It is proposed to reduce the resort board area by combining St Thomas with Portland with which it has greater affinity.

Kingston is served by Norman Manley international airport at Palisadoes and has occasional calls by cruise ships. In 1999, the resort area drew 183,223 stop-over visitors, over three quarters of whom stayed in private homes suggesting that they were VFR visitors. The Resort Board area had 2,091 rooms, of which 1,677 were in hotels and the remainder in guest houses, villas and apartments. Accommodation is mainly in Kingston.

Apart from business and conference activity, the main attractions are the historic and cultural sites in and around Kingston such as Port Royal, Spanish Town and the historic waterfront and downtown areas. As the capital, Kingston has a wide range of facilities but its infrastructure is constantly challenged by high rates of migration.

The natural attractions include the Hellshire Hills and the environs of the Blue Mountains. Hellshire is an area of natural beauty and a precious environmental asset that houses the iguana and many other rare fauna and flora. UDC has carried out infrastructure work in the Hellshire area, but little development has taken place and the nearby Forum hotel is closed. New plans are being prepared by the UDC to develop the area for day visitors and for accommodation. The spring at Rockfort is well used by Jamaican standards but little known to foreign visitors.

Apart from business travel, which is increasing, the success of the region for tourism purposes depends on:

- ▶ The successful development of the Historic Triangle and its ability to attract cruise and stop-over visitors;
- ▶ The ability to interest the large number of VFR visitors in the heritage of the country with which this resort area is the centre of;
- ▶ The ability to increase the number of flights to the Norman Manley airport and its use as gateway to Ocho Rios and the east coast.

The development of the historic triangle is essentially in UDC's hands as that organisation is implementing Port Royal and Spanish Town and has plans for Kingston Waterfront. The Kingston Restoration Company is also playing an important role but much depends on UDC. That organisation, at least its planning and investment departments, is interested in establishing a genuine partnership with the tourism agencies and with local communities. This should be taken advantage of as soon as possible and the resources of the tourism agencies brought to bear to support them.

Much depends upon the success of the Port Royal project currently being implemented by the PRDCL under the stewardship of UDC. However, what is important is, as noted in Chapter IV, to have contingency plans so that if it is not possible to raise the large sums involved for the full-fledged development of that project progress is achieved on a more limited scale: the development of the country's major heritage asset cannot be left to the success of a single initiative. Much can be achieved by using smaller amounts of money to build momentum for the area.

Further, Kingston abounds with sites of historic and cultural interest with the Bob Marley Museum, Devon House, National Gallery, National Heroes Park and Liberty Hall the major draws. The lives of national heroes such as Garvey, Bustamente and others are inextricably linked to the capital and much can be done to improve visitor recognition and understanding.

As the capital, Kingston contains the best of the performing arts such as the national dance troupe and the theatre. They need to be assisted with reaching a wider audience. Music and the arts have an important role to play in improving the visitor experience. Kingston is synonymous with reggae and areas such as Trench Town have worldwide recognition as its cradle. The community is trying to develop a visitor experience but needs help and support. The capital's recording studios and venues for live performances need to be better publicised. Ensuring visitor security is essential and this must involve the community organisations hoping to develop the attraction.

The Resort Board, using the resources of TPDCo, needs to develop a visitor experience, a guide to what is available in terms of historic sites, of natural attractions, beaches and coves, the arts and culture, entertainment, food and accommodation. The visitor experience should be given concrete form through road signs and markers on buildings, a heritage map with explanatory notes on the important sites and the sponsorship of events that would bring out the importance and relevance of the major sites. A monthly calendar of cultural and heritage events should also be published for the VFR and foreign visitor.

During the community consultation in Kingston on the draft of the Master Plan, the major points raised were:

- i) The plan was far too conservative with respect to accommodation in Kingston. It did not appreciate Kingston's importance for leisure travellers. The Historic Triangle would put Kingston on the map for heritage tourism, Port Royal would facilitate home porting attracting 'fly and cruise' visitors and Kingston could, with better air lift, serve as a gateway for the South Coast, Portland and even Ocho Rios;
- ii) There is a need to make the city itself the focus of tourism. It was a cruise port prior to Hurricane Albert and should become one again;
- iii) The history of the city and heritage sites need to form part of the tourism product and to educate local people.

These are all valid points. The Master Plan has built in resources for ii) and iii) above. The extent to which accommodation increases will depend on the success achieved in attracting firstly the cruise visitors and then visitors staying on the north coast.

6.5.4 The Resorts

Four towns are earmarked for resort status: Falmouth, Runaway Bay, Oracabessa and Port Antonio. The resorts will require infrastructure in the form of the utilities as well as housing, town planning and the development of commercial and recreational facilities. Two of these towns, Falmouth and Port Antonio, are slated for assistance as part of the development of heritage. They should attract investment in infrastructure through the Parish Infrastructure Programme and will be eligible for grants from the Heritage Fund and other sources.

It is vital that the other two towns also receive similar levels of support to develop into attractive focal points for tourism. In Oracabessa, the lead role in development is being played by a private sector company that is investing substantial sums to make the resort attractive. Runaway Bay has developed because of the location of a few large hotels and the construction of the golf course. The town has very limited visitor amenities and little infrastructure.

It is important that the funds invested by the private sector in hotels and leisure facilities are matched by

public investment in infrastructure, housing and the development of attractive town centres. With the parish unlikely to find resources, the onus will lie with the central government agencies.

It is proposed that the TPDCo and the UDC join forces to develop these resorts with the UDC taking the lead in developing plans and undertaking the development of housing and town centres on a commercial basis. TPDCo's role would be to use its resources to undertake non-commercial development of sidewalks, public places and the upkeep of civic infrastructure until such time that they can be maintained by a resort partnership as described above. The two organisations should seek to form a partnership with local CBOs and the parish council.

6.6 Access to Beaches

With sun and sand tourism likely to remain the dominant form of tourism for Jamaica, the issue of the use of the country's beaches assumes major importance. It is intrinsically tied up with location strategy.

In the past, there have been public demonstrations calling for better access to beaches for the Jamaican public. Sections of the public view the current situation as denial of access because of the number of beaches that are given to hoteliers for their exclusive use and the unaffordable level of charges to access other beaches operated under licence by hoteliers.

These concerns led the then NRCA (now NEPA) to draft a Green Paper on the subject, 'Towards a Beach Policy for Jamaica' – a policy for the use of the foreshore and the floor of the sea. The Green Paper has drawn a sharp response from the JHTA which believes its proposals would damage the industry.

There is a misconception prevailing amongst some Jamaicans that, in law, the Jamaican public has free right of access to the foreshore. This is not the case. That right is vested in the Crown. A summary of the legal position is contained in the Diagnostic and Strategic Options Report.

At the same time, the JHTA's response to the proposals in which they termed the Green Paper 'tourism suicide' shows that they have failed to understand that a continuation of the current practice whereby the country's best beaches are given on licence to hotels built along them is perhaps the worst scenario possible for the country in environmental terms, as explained in section 6.1 above. Further, it would spell disaster for the small businesses in the tourism industry. It would certainly kill-off much of the small hotels, guest houses, villas and apartments that did not have access to the beach.

There is no doubt that the intention of the Crown, in establishing the Beach Control Authority under the Beach Control Act, was to ensure a fair balance between the interests of the hotel industry and the public. It is clear also that the intent of the Act was to ensure that the public did have access to suitable beaches.

In practice, what evolved was a licensing system for hotel beaches which gave, up to the mid-1970s, exclusive rights to the use of the foreshore and after that a right of use of the foreshore on a non-exclusive basis. Exclusive licences were to be phased out but licences issued prior to the mid-1970s have continued to be renewed.

Under this system, hoteliers pay an annual licence fee for the use of the foreshore to NEPA which has inherited the functions of the Beach Control Authority. Licence fees have been increased in recent years. They are then free to set prices for access to the beach by Jamaicans and non-resident foreign tourists. Those with exclusive licences are free, of course, to deny access altogether.

It is the level of charges that has been the main point of contention. In Port Antonio, the two main beaches, Dragon Bay (US\$4.30) and San San (US\$8.00), are priced at a level which makes them out of reach of many Jamaicans. Many all-inclusives charge over US\$30 and some US\$60 for access, claiming that the entry fee covers use also of the amenities they provide.

In addition, the system of public recreational beaches is not working thus denying the public the free access to a beach provided for by the Beach Control Authority and now the NEPA. A recent survey found that, out of the 85 public recreational beaches, only 12 were in fact safe to use. All 12 had been given to commercial operators who charged the public.

The cause of the poor state of public beaches is the lack of resources available to parish councils. Government has had to accept that it cannot maintain beaches and so, the best way to cater for the public's wish to use beaches is by giving them out to commercial operators.

The Green Paper proposes to amend the Beach Control Act to make explicit the public's right of access to all bathing beaches. It argues that the intent of the Beach Control Act was to ensure public access. It proposes to establish a system of classifying beaches as follows:

A. Recreational Beaches

1. *Hotel Beaches*: opened to the public on a limited access basis by agreement by the hotels and the NEPA. The charges should be fixed in relation to the facility and should not be so high as to prohibit use by Jamaicans. This will be phased in over a five-year period.
2. *Commercial Beaches*: will be fully open on a charge basis. Fees are to be agreed with the NEPA according to the facilities available.
3. *Parish Beaches*: will be fully open to public. In those cases where the Parish Council charges a fee, it must be in consultation with the NEPA.

B. Industrial Beaches

C. Fishing Beaches

It is proposed that exclusive licences be phased out over a five year period. The JHTA has, in response, prepared a stinging rebuttal declaring the proposals as representing tourism suicide. The specific points made are:

- (i) there should be public beaches island wide. However, the public beaches are in a deplorable state and, therefore, immediate steps should be taken by the government to rehabilitate and maintain these beaches for use by residents and tourists;
- (ii) beaches of varying levels of quality and facilities should be provided. This will allow for fee structures to be equated to the facilities offered at the site. Persons from various income levels will also be able to access the beaches;
- (iii) the proposition that charges should be low enough not to deny access to beaches to Jamaicans is not workable. To cater for the poorest Jamaican, the charge would have to be zero;
- (iv) public access to hotel beaches would exacerbate the problems of visitor security and harassment and be "tourism suicide". Evidence of the effect of harassment is provided from The Bahamas;
- (v) restricting the number of persons on a beach (public, hotel or commercial) is necessary to maintain the carrying capacity of the beach;
- (vi) arrangements for beach use should remain as they are with some beaches designated as private beaches and some as public beaches;

(vii) exclusive licences for man-made beaches (and which are bordered on either side by rocky shores) such as the Round Hill Beach in Hanover should not be revoked. Revenue earned from these licences should be used to maintain public beaches. Fishermen and other users of the foreshore would continue to have access to the foreshore.

In our view, the system of classification proposed by NEPA is basically sound. It would allow members of the public to understand clearly what right of access they have to each beach. Notices would indicate the category of each beach.

What is unclear, however, is the pricing policy that the NEPA wants hoteliers to follow. Clearly, it cannot wish for prices to be so low as to make the beach affordable to all Jamaicans. As pointed out by JHTA, that would mean very low prices which may not be sufficient to cover cost of maintaining and operating beaches. NEPA has clearly accepted that there is a cost associated with maintaining and operating beaches. As Government cannot provide beaches as a free public good, it has accepted the principle of allowing commercial operators and hoteliers to charge to cover costs of operation and maintenance and to earn a profit.

Thus the basis of charging needs to be agreement over the cost of operation and maintenance and an adequate level of profit. These costs may vary from beach to beach and so charges need to be negotiated along with the licence fee for each beach.

In setting charges, the following principles should be followed:

- (i) there should be a clear distinction made between the cost of entry as against the use of amenities. The NEPA should be concerned mainly with the cost of entry;
- (ii) the cost of operations and maintenance of the beach and basic sanitation facilities should be divided across residents and non-residents taking into account likely hours of use. Hoteliers should be asked to submit information to back-up claims of the cost of maintenance and operations;
- (iii) where the entry charges arrived at in this way are higher than NEPA would deem appropriate on the grounds of affordability the NEPA could rebate a proportion of the licence fee to reduce charges;
- (iv) pricing should not be the method used to ration capacity. A carrying capacity should be established for each beach and the by-laws allow no further entry when this is reached. The carrying capacity must exceed the level of use by residents to allow public access.

The main objection made by the JHTA to greater public access to beaches is based on fears over harassment and visitor security. It is difficult to understand the basis for these fears. Beach operators have a right to pass, with the consent of NEPA, by-laws which prevent commercial activities, noise, litter, any form of pollution and so on. Already, each beach is policed to ensure no unauthorised entry, so it should be possible to easily spot and eject harassers. Vendors would not be allowed in and they are easy to spot.

Claims that where there is free right of access to beaches, harassment and loss of visitor security result are unsubstantiated. Most Caribbean islands and the world over has a system which provides free right of access to beaches, though the use of amenities has to be paid for. What is being proposed in Jamaica is to allow controlled access to beaches, on payment of a fee. This is far less than the free access provided in other countries. The example of The Bahamas quoted by JHTA is, frankly, out of all proportion to the reality of the situation.

The JHTA is right to point to the fact, however, that to ensure affordability, the best method is to have a system of public beaches that are well maintained. Given the state of local government finance, it is unlikely to prove practicable for parish councils to provide access to beaches. So the practical solution lies in the commercialisation of the 85 or so public beaches.

In the past, when commercialisation has been attempted, interest amongst potential operators has been low. It is important that the NEPA and parish councils examine the terms of the licence to ensure that operators can make a reasonable profit. In the major resort centres, it is vital that there are public beaches, not only for Jamaicans but also foreign visitors. For these, if necessary, public investment in infrastructure should be forthcoming and operators may, in the extreme, be given a small subsidy to begin with to induce them to make the beach attractive to visitors.

It is in the interest of the tourism industry to provide access to beaches for Jamaicans and non-resident (in hotel) visitors. They should work with NEPA to ensure resources are available to develop Jamaica's beaches.

In fact, it is in the mutual interest of both the tourism industry and NEPA to increase non-resident access to hotel beaches and to develop attractive commercially run beaches throughout the island. Without this, the hotel industry's development would be confined to a narrow strip of coast with each hotel having its own beach. This will favour large hotels and hasten the disappearance of the small.

If the current practices of building hotels along a narrow strip of the coast, the granting of beach licences to those hotels and the charging of high fees for beach use (be they for the use of the amenities) were to continue, the small hotel would disappear. The best beaches would be acquired by larger properties and residents of small hotels would be forced to pay high prices for the use of a beach making Jamaica a high cost destination. Paying US\$8 per person to use a beach represents a 16% increase on a US\$50/day hotel room.

The key to the future of the industry lies in encouraging the improvement of non-hotel beaches as well as opening up hotel beaches. With regard to the former, JHTA is right to point to the licence fees paid for hotel beaches.

What is required, in addition, is to ring-fence monies from these licence fees so that they are used exclusively for the maintenance and upkeep of the country's beaches. The use of these revenues to provide incentive for the continued development of beaches by commercial operators will help ease the pressure on hotel beaches and ensure the Jamaican public has access to beaches at reasonable prices.

In Jamaica, there are a number of examples of commercial beaches which offer good facilities at a reasonable price and where locals and tourists mix without high levels of harassment. Puerto Seco Beach in Discovery Bay is a prime example. Doctors Cave, once the best known beach in Jamaica, is improving amenities and reducing visitor harassment and shows the benefits of commercial operators working with hoteliers, in this case the Breezes Hotel.

Exclusive licences should be phased out. The only exception may be man-made beaches which could be given a period of exclusive use to compensate for cost of development and those hotel beaches where access cannot be other than through the property. However, this should apply only to those which have held exclusive licences in the past. Newer hotels must provide access to the beach.

6.7 Planning

Critical to any location strategy being implemented effectively is the system of planning used in the country. Planning is also vital for the protection of the environment and hence for the sustainable development of tourism.

Chapter VI of the Diagnostic and Strategic Options Report contains a detailed critique of the system of planning in Jamaica. In summary, the measures required to improve planning and the enforcement of plans and development orders are:

- ▶ create stronger linkages between sectoral and physical planning. PIOJ has a vital role to play in making sure that the sector ministries prepare plans that take account of spatial implications so that the national physical plan's integrity is maintained;
- ▶ strengthen the role of NEPA so that it plays an active role in the development of sector plans;
- ▶ shift the focus of Town Planning Department (TPD) from approvals to long term strategies. TPD currently concentrates on development control and sub-division approval. As the technical arm of the Town & Country Planning Authority, the apex body in the country for planning, TPD should play a more strategic and less hands on role;
- ▶ decentralise the approval process. It seems sensible that all applications under 10 lots and 2 hectares, be dealt with at the local level and hence not be submitted to the TPD, a national body. This would considerably reduce the number of applications dealt with by TPD as 65%-70% of applications are for sub-divisions under 10 lots. Planning should become more responsive, especially if the Government Town Planner (GTP) and the Chief Technical Director meet with the parish councils on a monthly basis to review applications before they are submitted to the Building and Planning Meetings of the councils. This would maintain conformity with the Local Improvements Act, but streamline the development approval process further;
- ▶ improve the speed and efficiency of the approval process. Deadlines should be imposed at each stage of the approval process, the processing of applications made the responsibility of designated persons in each agency who should be trained in their function and a monitoring process established to ensure that there are no untoward delays in the process;
- ▶ update development orders and ensure appropriate regulations are in place to implement the location strategy. At present the whole country is not covered by development orders. Some development orders are also out of date. In updating development orders, it is important to take account of new studies such as South Coast Sustainable Development Study, this Master Plan and the North-East Coastal Plan. Having development orders in place is essential to make the development approval process transparent;
- ▶ increase local involvement in the preparation of plans. The responsibility for preparing development plans and orders now rests with NEPA, formed from the merger of the TPD, with NRCA and the Land Development Utilisation Commission. Whilst the merger should help with co-ordinating the work across the functions, it is important not to lose sight of the principle that local plans should reflect local aspirations. The preparation of plans should be undertaken with the participation of the parish council, the chamber of commerce, community organisations and NGOs and other interest groups;
- ▶ improve institutional capability at the local level. As part of the local government reform programme, it is important to work to improve local capability to plan, develop controls and regulations, monitor and track approvals, service customers and enforce planning regulations;
- ▶ increase public awareness. Breaches of regulations often take place because of poor knowledge. It is important to produce brochures on the development approval process, and building regulations and simplified versions of the development orders should be available to the public from parish councils;
- ▶ increase the role of tourism in national and regional planning. The Ministry of Tourism has to become the voice for tourism in the planning process. It must have the resources to do so. In its role of leadership and as the agency responsible for the Master Plan it must have the authority to direct other government agencies, including the UDC which is its own planning authority, to a course of action that is in conformity with the Plan;
- ▶ there is a need to prepare transparent guidelines for tourism projects. The Manual for Development should be updated and extended to cover tourism projects. The main requirements should be publicised by the Ministry of Tourism.

6.8 The Role of TPDCo

As the agency responsible for the development of the tourism product, TPDCo has the responsibility also for the wider product of resorts, scenic tours and circuits and access to places of interest. As a result of the failure of the system of local government finance in Jamaica, the revenues from local taxes have not been ploughed back into the resorts and the result has been that they are run down and unattractive. TPDCo has had to step in and use monies earmarked for tourism development for maintaining public places, beautification and carrying out the protection of the environment through its Sustaining the Environment and Tourism (SET) Project.

The company spends approximately US\$1.5 million annually for beautification, maintenance and on SET. The funds are allocated to priorities established by the six resort boards. The majority of the funds are spent piecemeal across a large number of projects to ensure that the benefits are spread widely. The result is that they fail to have a significant or lasting impact. The company has become a provider of services that should be provided by local government with the result that it is accused of failing in its core function of supporting tourism projects.

The local government reform programme is addressing the failings of the parish councils in discharging their statutory functions. However, it will take time for the effects of this programme to be felt on the ground. In the interim, the shortcomings of local government will have to be made up by the voluntary sector and organisations such as TPDCo.

It is important, however, that the company use its resources in a focused manner to achieve strategic ends. Instead of spreading its resources thinly on cosmetic ventures, it should use them strategically in support of the location strategy above. It must give priority to the resort centres, resorts and international and national attractions.

Its resources need to complement those of other agencies such as UDC, the Ministry of Environment and Housing and reinforce the efforts of the NGOs and CBOs involved in tourism and the environment. The TPDCo should, wherever possible, serve as the catalyst for others to perform a function rather than do it itself. This is a principle ably demonstrated by its SET project that has proved cost effective.

Most importantly, it needs to help find permanent solutions to failure in service provision and not just step in to provide the service itself. Hence, if the verge along a main tourism road is not maintained, it may well choose to improve it initially, but only if a combination of the parish council, chamber of commerce and the tourism industry show the commitment to maintain it thereafter.

It must work to educate the Resort Boards that the spend of monies to clean statues and improve entrances to botanical gardens is a waste of resources if they will not be maintained thereafter. Further, that spending resources in such dribs and drabs does not create the sufficient draw that would entice visitors to that location and hence help it become viable. Unless it helps such attractions become financially self-sustaining the company will continue to have to help them maintain their assets.

In future, TPDCo will be the agency responsible for delivering tourism's interests as far as location is concerned. It must seek to influence investors through JAMPRO in this regard. In addition, the NEPA has a vital role in the implementation of the Location Strategy. Because all major developments require an Environmental Impact Assessment (EIA) to be carried out before NEPA provides a permit to operate, NEPA can have enormous influence over what is approved. TPDCo needs to work with the NEPA to ensure that the industry is located in a sustainable manner.

6.9 Conclusions and Recommendations

The major conclusions and recommendations contained in this chapter are as follows:

- 1.** In line with the country's National Physical Plans, the appropriate location strategy is to concentrate accommodation in the three major resort centres. The ribbon development of accommodation along the north and north west-coasts must be avoided at all costs as it would destroy the environment and cause social deprivation. The EIA required for all hotels should be the tool for implementing the location strategy. This requires a policy decision by Cabinet and the amendment of NEPA regulations;
- 2.** In order to ensure that the carrying capacity of the three major resorts is increased to meet projected visitor numbers, it is recommended that the sum of US\$8 million be provided for capital expenditures that would help improve environmental management. In addition, a sum of US\$0.5 million per annum should be provided to the marine parks in each resort centre to help with environmental management. The marine parks would be supported in developing eco-tourism. The policy with regard to their charging visitors needs to be changed by NEPA;
- 3.** It is necessary also to invest large sums in each resort centre to improve the visitor experience and social and physical infrastructure for residents. It is proposed to establish Resort Partnerships to mobilise investment and provide public services. The Resort Partnerships would be forged from a partnership between the parish council, UDC, TPDCo, the utilities and the Ministry of Environment and Housing with JAMPRO helping to mobilise private sector investment. Tourism and other private sector interests, represented by the chamber of commerce, would be equal partners in the Resort Partnerships. Private sector investment, in partnership with UDC, would be used to invest in a mix of commercial and social development projects. The forging of these Resort Partnerships requires a policy decision by Cabinet;
- 4.** Kingston and the historic triangle would be developed principally for cruise visitors and tours. The main type of stop-over visitor would remain business travellers but this could change with the development of the triangle as a visitor attraction and the improvement of air lift into Norman Manley;
- 5.** The other resort zones, Portland combined with St Thomas and the South Coast would feature low density tourism based on their outstanding heritage. They would attract large numbers of tours and independent travellers;
- 6.** The country would implement the two airport strategy proposed in the National Physical Plans. The strategy would be greatly facilitated by Highway 2000. The whole of the east coast, including Ocho Rios, would be served by Norman Manley;
- 7.** The system of planning needs to be decentralised and made more responsive to local needs. This will call for policy changes on the part of the TPDCo;
- 8.** TPDCo's role needs to change, away from covering the gaps left by the inadequacy of local government to ensuring that the visitor experience in the resorts is attractive and sustained by investment and maintenance expenditures. It needs to play a major role alongside NEPA in implementing the location strategy.

Master Plan for Sustainable
Tourism Development

JAMAICA

>> Chapter VII:

Sustainable Tourism

VII Sustainable Tourism

Above all sustainability depends upon the realisation of three out of the five main themes of the Master Plan – community based development, an inclusive industry and environmental sustainability. The Plan intends to establish a process of bottom up planning starting with parish level sub-committees of the resort boards that take charge of planning and developing the visitor experience on offer. The plans of these sub-committees, co-ordinated by the resort boards, should become the basis of the annual budget cycle and three year plan to which the MOTS works and form the basis of its strategic guidance to all the tourism agencies. The local PDCs, CBOs, NGOs, heritage foundations should be invited to join the resort boards and to take charge of the sum of US\$100,000-p.a. per parish to be spent on local priorities. The development of an inclusive industry would be facilitated by establishing within TPDCo a Community Support Unit that would provide support to micro and small tourism businesses and community based ventures. The benefits of tourism would be spread by providing opportunity for local businesses to market goods and services at all tourism venues and by helping farmers increase the supply of produce to the hotel industry. The goal of environmental sustainability would be achieved through the location strategy described above and by helping the industry improve its environmental impact. A facility for carrying out environmental audits to identify ways of mitigating environmental impact will be established at TPDCo. In the future, TPDCo's role should be changed so that it becomes the major support for the industry and the guardian of sustainable development.

7.1 Introduction

This chapter addresses the critical issue of sustainable tourism development. It starts with defining the concept of new or sustainable tourism and how Jamaica compares against best practice. It then sets out how local communities should be made central to the tourism development process, and so initiate community based development, the initiatives required to increase economic integration to develop an inclusive industry and the measures required to achieve environmental sustainability.

7.2 The Concept

In recent years, tourism planners have started to rethink the objectives for the development of the industry as a result of three main factors:

- (i) the tourist is changing, wishing for greater involvement with local people and many are conscious of the economic, social and environmental impact of their visit;
- (ii) they seek an integrated experience involving multiple activities so that the interaction with the community increases;
- (iii) local communities are becoming sensitive to the effect tourism is having on their lifestyles, culture and the environment and can resent its intrusion.

These factors have prompted the beginnings of a new approach to the development of tourism. Termed the 'New Tourism or Sustainable Tourism', these approaches differ from traditional tourism as follows:

Figure 7.1

>> The Change from Traditional to New Tourism	
Means Turning Away From:	And Turning Towards:
Old Travel Patterns	New Travel Patterns
Established Destinations	Emerging Destinations
Old Products	New Products
Fragmented Tourism Industry	Economic Development Tool
Developer Control	Community Control
Financial Illusion	Financial Reality
Passive Consumers	Involved Participants
Source: B. Jones. <i>The New Tourism & Leisure Environment</i> .	

The change from traditional to new tourism is driven by the tourist whose interests and travel patterns are changing. The tourist is interested in new experiences and products and is interested in interacting fully with the host community. They are conscious that they can cause environmental damage and that their presence may be resented. The industry has to respond by engaging the tourist in much more than a place to stay or things to visit. It needs to consider and provide the total visitor experience much of which will not be in the confines of tourism 'products'. It needs the local people to be welcoming and willing to act as good hosts to the visitor.

At the same time, governments are coming to see tourism not as a cash cow to fund the country's foreign exchange needs but as a vehicle for economic development. They recognise that local communities are at the heart of the tourism experience and so must take control of the development process. Governments and communities cannot be passive bystanders observing the development of an enclave industry but active participants in the shaping of what is on offer and how it relates to the rest of society. The financial illusion of the cash cow has to give way to a realistic assessment of what the tourist gives and receives.

Similarly, the WTO's guidelines for sustainable tourism development focus heavily on the community and involving local people:

- (i) travel and tourism should assist people in leading healthy and productive lives in harmony with nature;
- (ii) tourism development should be appropriate to place, reflecting its scale and character;
- (iii) environmental protection should constitute an integral part of the tourism development process;
- (iv) sustainable tourism development should ensure a fair distribution of benefits and costs;
- (v) tourism development issues should be handled with the participation of all stakeholders, with decisions being taken at the local level;
- (vi) travel and tourism should use its capacity to create employment for women and local people to the fullest extent;
- (vii) tourism development should recognise and support the identity, culture and interests of local people.

To achieve sustainability, the key requirements are to ensure that tourism develops in line with the aspirations and culture of local communities, benefits are spread evenly and the environment is protected.

7.2.1 Relevance to Jamaica

Such rethinking is very relevant to Jamaica. What has developed up to now is an enclave industry, indulged and supported because of the foreign exchange and jobs that it generates. Much of Jamaican society, as evidenced by surveys, believes that tourism is an important industry but few believe that they benefit from it.

Although people do not resent the visitor, resentment against the industry is growing. The growing resentment against the tourism industry has been documented by previous research and confirmed by community consultations organised for the Master Plan. Further elaboration of the levels of resentment and their causes is set out in Improving Social & Economic Integration of Local Communities with the Tourism Industry, a report prepared for the Ministry of Tourism by Call Associates in October 1998.

Such resentment has been noted in other Caribbean countries and explanations put forward by academics to explain its causes. What is strikingly different in Jamaica is that, unlike other countries where resentment has occurred after saturation in visitor numbers, in Jamaica the industry has become unpopular before the country has reached the tourism penetration ratios of other Caribbean islands.

The causes of resentment must be addressed. A tourism industry resented by the communities in which it operates is unsustainable. Causes of mounting resentment, despite the comparatively low penetration of tourism, are numerous. Some of the causes of resentment that have been documented are:

- (i) the dominance of large, all-inclusive hotels has meant that the ownership of accommodation is concentrated, in terms of rooms, in the hands of the few;
- (ii) the growth of all-inclusives has resulted in a higher proportion of tourism expenditure remaining in the accommodation sector. It's the other sectors of the industry that have the lowest entry barriers and in which Jamaicans often have an ownership stake;
- (iii) the low incomes provided by many ancillary sectors such as taxis and craft vending because of oversupply and the failure of ancillary sectors to grow rapidly. The same is true of informal sector activities;
- (iv) the failure to channel increased tax revenues back into local communities so that most have obtained little or no benefit from the growth of tourism;
- (v) as a result of migration to resort centres and a failure of Government to provide adequately for such migration, a large number of people having to live in poor conditions in squatter communities around the resort towns;
- (vi) the lack of consultation of communities in tourism development planning so that they resent the use of space and assets by the tourism industry.

In addition, as suggested by the section on environmental management in Chapter VI above, the state of the environment, the basis of the sun, sea and sand product, is a cause for serious concern. Though the causes of deterioration are many and industries other than tourism have been as much the culprit, the fact is that the unplanned development of the resort centres has caused the deterioration of Jamaica's fragile environment.

On the other hand, making tourism a tool for economic development and putting the community at the heart of its development are highly appropriate to the state of Jamaica's economy. The slow growth of the economy and the lack of growth of formal sector employment mean that new tools for economic development and job creation are needed urgently. Tourism could play that role as it affords low cost of entry into economic activities and could provide reasonable levels of income.

7.3 Community-based Tourism

The concept of community-based tourism has come to mean many things. Some consider the development and management of tourism accommodation and attractions by community-based organisations to be community-based tourism. In our view, this is both too narrow a definition and one that misses the real importance of community involvement and that is the role of the community, as the host, to define the visitor experience. This is the real interpretation of community control and the rationale for the WTO to suggest that key decisions need to be taken locally.

In terms of the Master Plan, community-based tourism means putting local communities in control of the development of the wider tourism product and ensuring that the benefits of tourism are spread widely within the community. It means giving priority to:

- ▶ bottom-up planning involving community organisations;
- ▶ managing the interface with tourists, including the control of harassment;
- ▶ developing products in which local people can take pride;
- ▶ local involvement in the ownership and management of tourism products and businesses;
- ▶ increasing the supply of goods and services supplied to the industry.

In this section we deal with instituting a process of bottom-up planning that would put the views of local communities and their representatives in control of the development of the wider tourism product and managing the interface with tourists. The next section, 7.4, deals with spreading the benefits of tourism through increasing local involvement in the management and ownership of businesses and increasing the supply of goods and services to the industry.

7.3.1 Community-based Planning

The fact that MOTS has placed such strong emphasis on consultation in developing this Master Plan shows that the need to involve the community is now recognised at the highest levels in Jamaica. What is required is to ensure that all parts of the industry understand that, without local support, the industry's growth will be unsustainable.

To achieve this, community involvement should be institutionalised in the process of developing tourism plans and products and in the management of the tourism product. At present, the point in the institutional framework for tourism at which local communities can participate is the Resort Boards. This system has the following weaknesses:

- (i) the Resort Boards cover large geographic areas, including in their territory several parishes. Local communities feel the Resort Boards are too distant from local communities;
- (ii) with a few notable exceptions, such as the South Coast, the agenda of the Boards is dominated by industry concerns over harassment, beautification, the holding of events, marketing, etc. Improving links between the industry and local communities does not figure prominently on Resort Board agendas, let alone canvassing their views on the form of visitor experience which should be provided or product development;
- (iii) the Resort Boards are advisory bodies. Their main tools for implementation are the tourism agencies, JTB and TPDCo. They have little command of resources themselves. Local communities, CBOs and ENGOs do not believe that they would be useful to work with.

With few community organisations represented on the Resort Boards and the feeling that the Resort Boards

serve the tourism industry, not community aspirations, most communities have little say in tourism planning or product development. This must be remedied as soon as possible.

In developing a structure for community participation in tourism planning, it is important to co-ordinate with initiatives being taken by organisations such as the SDC. There is a tendency in Jamaica for individual ministries to create parallel structures to each other so that there is duplication of effort and a plethora of agencies. This is both a waste of resources and a cause of ineffective government as each new body created is usually under-resourced.

The SDC, as part of the National Poverty Eradication Programme, has established Parish Development Committees in the 14 parishes of Jamaica. Each of the PDCs is made up of local CBOs and NGOs as well as representatives of the parish council. The PDCs are responsible for identifying strategies and projects to create jobs and increase income in the parish. In the short time in which they have been functioning, they have already short-listed projects that need to be given priority and a significant proportion of these are in the tourism industry. Over 300 projects with tourism potential have been identified.

As set out in Chapter V above, it is recommended that the PDCs be invited to participate on the resort boards. In addition, CBOs, the local heritage foundation, ENGOs and cultural groups, the Chamber of Commerce and the local parish council should also be invited to participate on the resort boards. The restructured resort boards should be charged with:

- (i) defining the visitor experience each parish should offer and prioritising the development of accommodation, attractions and ancillary facilities;
- (ii) working with JTB to market the visitor experience they wish to provide and with TPDCo and local entrepreneurs on product development;
- (iii) providing advice and guidance to local entrepreneurs on new product development and industry participants on product upgrading drawing on the resources of the tourism agencies, JHTA and other industry organisations such as JAVA, AJAL, etc;
- (iv) serving as the channel to influence the local planning authority and NRCA, JNHT and the JCDC on the needs of the tourism industry;
- (v) educating the wider community on opportunities and benefits from participating in tourism.

From community consultations conducted as part of the research for this document, it has become clear that community organisations often have very clear views of the type of visitor experience the parish should offer. Further, that their knowledge of the variety of natural, cultural and heritage experience each parish could offer is greater than many tourism professionals. Their involvement in tourism planning would not only ensure greater sensitivity to local aspirations but would also enrich the visitor experience.

The resort boards should also serve to influence PDCs, the parish councils and the agencies responsible for providing infrastructure so that they can co-ordinate their activities with the development of tourism. When and where Resort Partnerships have been established, they will need to both participate in the running of the partnerships and to influence their plans to ensure they meet the needs of tourism.

Though voluntary organisations, the resort boards would be provided with expertise and assistance by the tourism agencies, JTB and TPDCo, who would delegate staff to serve as a secretariat for the boards from a new Heritage Community Unit (HCU), as described in Chapter V. It is intended that they should, in due course, be assisted in opening tourist centres to provide information and support to visitors and the local population.

The HCU would constitute the main source of technical expertise to the resort boards. The unit is likely to cost

in the region of US\$0.5 million p.a. to staff and operate. It would have also a budget of US\$1.4 million annually to support projects of a non-commercial nature in the parishes including the establishment of parish tourist centres with interpretative guides and other information and capable of accessing the book-a-bed ahead scheme to be run by JRS.

The US\$1.4 million per annum is made up of US\$100,000 per parish. These monies should be allocated strictly on the basis of local priorities, as defined by the community organisations represented on the resort board. The resort board should form parish sub-committees to define these priorities.

The parish level sub-committees would form the bottom layer of the tourism planning hierarchy. Their plans would be endorsed by the resort boards that would also co-ordinate between parishes in the resort zone. The plans should then be sent to the MOTS not, as at present, remain within TPDCo. The MOTS, having reviewed the plans, should then instruct all the tourism agencies, including JTB, TPDCo, JAMVAC/JRS on their implementation. The plans would be integrated into the annual budgets and three year corporate plan produced by MOTS for submission to the Ministry of Finance.

7.3.2 The Visitor Interface

Whilst the lack of personal security and harassment of visitors are major threats to the tourism industry, the community resents certain anti-harassment measures. It is clear that the interface between the Jamaican public and the visitor needs to be managed more effectively.

A distinction needs to be made between personal security and harassment. The issue of personal security is mainly one of perception. In 1997, according to statistics provided by the Jamaican Constabulary Force, 249 crimes were reported against tourists. This represents a very small proportion (0.01%) of the 1.9 million visitors to the Island in 1997.

Further, crimes against tourists appear to have peaked in 1992 at 614. They have fallen each year since then. Of course, even a single murder can cause serious damage to the reputation of a destination let alone the 2 or 3 which take place in Jamaica and a single incident can damage the destination for years. So there are no grounds for complacency.

Nevertheless, the industry can demonstrate that the average visitor is highly unlikely to have crimes committed against the person. This message needs to be put out to the international travel trade and the US travel trade in particular, in a suitably low key and reassuring manner. Jamaica is perceived as a high crime destination because of the drugs trade and crime and violence in Kingston.

Harassment on the other hand is a real and substantial problem. The Visitor Satisfaction Survey, 1997, carried out by JTB, showed that 56% of visitors surveyed reported that they were harassed, marginally down from the 1996 figure of 60%. One out of two visitors experiences harassment and this must detract from visitor satisfaction. The result is complaints to travel agents and tour operators and, of course, the spread by word of mouth and/or the internet of the experience. The damage harassment causes can be substantial.

To curb harassment, through an initiative endorsed by the Prime Minister, a Resort Patrol Service (RPS) was established in 1993 to combat harassment, ensure greater visitor security and to control also littering and monitor water sports activities. The RPS's activities are reinforced by the Port Security corps working under the direction of the Ministry of Transport and ultimately by the Jamaican Constabulary.

Under Jamaican law there is no specific crime of harassment. In fact, the most common form of harassment, as shown below, is pressure to buy things. There is no crime which defines such behaviour.

Figure 7.2

>> Location and Forms of Harassment			
	Location (% of Harassed)		Form of Harasment (% of Harassed)
Shopping Area	65.3	Pressured to Buy	86.0
The Street	60.7	Offered Drugs	60.0
The Airport	40.0	Followed Around	29.9
The Beach	20.4	Approached for Sex	11.7
In Accommodation	14.6	Pushed into Taxis	10.9
		Offered Foreign Exchange	7.5
Source: Visitor Satisfaction Survey 1997, JTB			

The prosecution of harassment is possible through the Tourist Board Act 1995 and its amendments. The Tourist Board Act requires all vendors, hair braiders and tour guides in the prescribed areas (resort towns) to obtain a licence from the JTB. Failure to hold a licence is punishable by a fine.

Local people resent the RPS and its prosecution of people under the Tourist Board Act. The RPS finds it difficult to identify potential harassers and often asks local people not to congregate on street corners as they fear they may then harass tourists. The use of the Tourist Board Act is resented because it is perceived as a way of protecting tourists from local residents, criminalising even the innocent.

Under a new director of anti-harassment, MOTS and TPDCo have established a new programme to curb harassment that has three components:

- (i) enforcement including arrest and increasing fines under the Tourist Board Act and training the RPS, the constabulary and magistrates;
- (ii) public education which dovetails with an earlier initiative to use radio, newspaper, advertising bill boards, outreach to teachers and a campaign within schools;
- (iii) social upliftment including improving craft markets and increasing the social contribution of the industry.

An attempt is being made to move the RPS away from its perceived role as protectors of visitors against the Jamaican people. The anti-harassment programme has been renamed the Visitor Information Programme. There has been a move also to focus on training the RPS so that it does not overstep the mark and be viewed as anti-community.

The attempt to train magistrates about the serious consequences of harassment on the tourism industry and the need to enforce that law effectively is also a welcome development. In the case of criminal behaviour, such as the selling of drugs or prostitution, what is required is effective enforcement of Jamaica's own laws. Tourists do look for drugs and prostitutes but if Jamaica continues to make them illegal, then it must act to enforce its laws.

Currently, the usual penalty for those arrested is fines. The high revenues earned from these activities make this a poor disincentive. Custodial sentences must be used for repeat offenders. Justice must be swift and severe.

The measures required to achieve this are:

- (i) the number of judges available should be increased. Many cases have to wait months to be brought to trial. With the likelihood that tourists would be anxious to leave the island after an incident, the main witness would have left the island before the case is brought to trial;
- (ii) the use of sworn affidavits and video tape evidence should be encouraged to overcome the reticence of tourists to be involved in court cases;
- (iii) the number of cells to hold prisoners on remand and for custodial sentences is inadequate. Without a cell to serve a custodial sentence, judges have no option but to impose fines and little recourse if fines are not paid.

It should be noted that the vast majority of harassment is carried out by a hard core of repeat offenders. In most resort towns, less than 30 harassers would be responsible for the bulk of the harassment. In Montego Bay, the number of persistent harassers identified was eleven.

It is this handful of persons who earn a living from selling drugs and offering the services of prostitutes who cannot be persuaded to cease to harass tourists. Their incomes are far too high to be offered alternative sources of income or to be discouraged by fines. They must be punished by custodial sentences. To achieve this, magistrates must understand the consequences of harassment and not view hard core harassers as just people trying to make a living.

The other main type of repeat harasser is usually from outside the local community, drawn to the resort by lack of economic opportunity in their own areas. The causes of their becoming harassers are a mix of economic, social and cultural and psychological factors as revealed by the study – Report on Visitor Harassment and Attitudes to Tourism and Tourists in Negril, 1994.

The majority of people interviewed agreed that their behaviour forced tourists into forms of action they would otherwise not contemplate. Most of them were involved in informal activities such as being escorts and guides and also attempted to sell items to tourists.

Curbing the excesses of this type of harasser is a matter for the local community. They must understand that the activities of the few will, in the end, undermine the whole of the tourism industry to the detriment of the many. Thus the PDCs, CBOs and NGOs that are members of the resort boards and resort partnerships should be involved in managing the interface with the visitor. They should be involved in public education, in the management of the resort patrol and in the liaison with the constabulary. The public education programmes should work through the CBOs and NGOs that are members of the resort boards and involve also other local community organisations. It is essential that the public education programmes come across not as the tourism industry trying to protect its interests but as the community trying to develop and protect a major source of its livelihood from the few. Further, it is essential to involve the industry's workforce in anti-harassment. There are over 80,000 people who are employed by the industry who have a vested interest in its success. They need to be trained in how to identify and deal with harassment, including making themselves known to the tourist.

The vast majority of the harassment that tourists experience is whilst shopping or in the street to purchase souvenirs. This may actually be perpetrated by people who hold a JTB licence or if they don't, are engaged in activities such as vending or braiding which are not in themselves offensive. What is required is that any person engaged in the industry is able to spot harassment, realise it for the danger that it poses to their livelihood and be able to deal with it in an effective, non-confrontational manner. The Team Jamaica programme run by TPDCo or a tailor-made programme could serve as the vehicle for such training.

The study in Negril showed that the majority of harassers wanted to establish a formal place in the tourism

industry which would provide them with an adequate living without having to pressurise tourists. In Montego Bay, the majority of harassers who were offered employment in the industry accepted the offer and many of those people were not tempted back to their former occupation.

For such harassers, an attempt should be made to find them alternative occupations either as employees or, having been trained, as licensed guides or vendors. The remedy for such harassment lies in a combination of offering better opportunity and education as follows:

- (i) as noted earlier, Government's intent should be to facilitate the growing involvement of local people to supply goods and services to tourists. It needs to provide venues for a productive exchange to take place;
- (ii) Government should also work with vendors to increase the incomes they realise from such activities, through improving merchandising skills and products and services on offer;
- (iii) educating these vendors on sales techniques likely to bring better long-term results than harassment is the way to ease the pressure as these people seek to secure an adequate living. It is this pressure which causes them to overstep the mark between advertising their wares and harassment.

It is important that the Tourist Board Act is not seen as a way to limit opportunity but as a means to facilitate a more productive interaction between vendors and tourists. Thus the JTB licence should bring with it access to attractive sites and help with increasing incomes. These measures are described in detail in the following section.

GoJ has shown its support for anti-harassment by approving the funds requested by the anti-harassment unit. This should provide adequate funds for the RPS, for training and public education. It is equally important that progress be made on the third stream of activities, social upliftment, described below.

7.4 Spreading the Benefits of Tourism – An Inclusive Industry

A crucial element of sustainability is to spread the benefits of tourism widely. It is not enough to try and educate the Jamaican people about the contribution that tourism makes to the country, they must feel that they are benefiting from the industry. In the JTB survey of attitudes to the industry, whilst the majority of respondents acknowledged the importance of the industry to the country, the vast majority believed that it did not benefit them. This perception must be changed if the industry is to obtain the support of the Jamaican people and become sustainable.

For the Master Plan, the percentage of people who believe that they benefit from the industry is the litmus test of the change in attitudes towards the industry that it hopes to bring about. If policy makers, planners and local communities are to have successfully changed their attitudes towards the industry from being an enclave that benefits the few to a tool for social and economic advancement, it must be reflected in the proportion of the Jamaican people who believe they benefit from the industry.

In the sections below, we set out initiatives to spread the benefits of tourism by developing micro and small businesses and agriculture and to make more obvious the benefits that tourism provides for social and economic advancement.

7.4.1 Micro and Small Businesses

As tourism expenditure increases, it will provide major opportunities for the development of small businesses in the tourism industry itself and in industries that supply the industry. To make sure that maximum advantage is taken of these opportunities, the following measures are proposed:

- (i) all man-made, natural, cultural or heritage attractions should be required to provide, as part of their EIAs, plans on how they intend to provide opportunities for the local community to benefit from the attraction;
- (ii) the construction of lay-bys or small markets in which the local community can sell products and produce should be a requirement for all projects, attractions, heritage trails, scenic routes, circuits and so on. The PDCs should be involved in the development and management of these commercial spaces;
- (iii) TPDCo should establish a fund to provide technical assistance for the development of micro and small business ventures and work with other agencies such as MIDA that are involved in providing support and loan finance facilities for micro and small businesses in Jamaica.

Although the decision has been taken to establish craft villages in all resort centres and there are modest sums provided for in TPDCo's budget to plan and design them, progress to improve the opportunities for formal and informal sector micro businesses to sell to the tourist remains slow. The resort centres are characterised by crowded and unattractive craft markets and there are few streets with stalls or even attractive markets for fresh produce.

An important objective of all tourism projects should be to increase access to tourism spend for local communities, small businesses and the informal sector. Improving access to tourism spend would clearly increase the community's stake in the industry. It could also serve to provide to tourists the greater contact they seek with local people and to enrich the visitor experience.

It is important to ensure that all tourism projects in future and particularly plans for the development of the resort centres, provide for opportunities for local people to sell products and produce. They must plan for sites and premises that could be used by vendors and small businesses to sell to the tourist. Thus projects such as the redevelopment of Gloucester Avenue and the Waterfront in Montego Bay, for the development of the town centre, craft market and adjoining lands in Negril and of Lot 6 and the Turtle Walk in Ocho Rios are envisaged as providing opportunities to sell crafts and other items to tourists. It is important that the final design of these facilities does not lose sight of this.

The selection of towns and villages of culture and tourism development action plans should consider also the way that proposals provide opportunities for local people to sell goods and services to tourists. The development of heritage attractions and all man-made facilities should be asked to address the issue of vending opportunities for local people. The design of trails, scenic routes and circuits should include lay-bys and stop-overs where the tourist should be given the opportunity to buy local wares. Such sites should be located to provide easy access to tourists and designed to provide attractive retailing space at affordable costs to traders. They should be owned and developed by local parish councils and/or the PDC with TPDCo providing design and development expertise.

Periodic markets (held at weekends and specific weekdays) specialising in foods, crafts and clothing should also be organised by PDCs in conjunction with the local authority. If possible, such markets should aim to serve both locals and tourists. They should be publicised by the tourism agencies.

This will require a major change in the attitude of the tourism industry. Currently, it regards vendors and informal sector workers such as hair braiders as a potential source of harassment. It needs to consider the provision of an adequate livelihood for such people as integral to the sustainable development of tourism.

No doubt part of the cause of resentment and harassment is the poor quality of products and services that such informal vendors currently provide. Working with the PDCs and resort partnerships, a major initiative is

required to improve the quality of what is on offer.

In general, there are far too many people involved in the same activity. There is a need to encourage diversification of products sold and services. TPDCo, working with small business support agencies and the SDC, needs to launch an initiative for craft vendors, other vendors and guides to diversify what is on offer. A special emphasis should be placed on recognising and working with the informal sector.

In this regard, it is important to offer training combined with the incentive of obtaining a JTB licence. The licence should not serve as a barrier to entry despite the fact that average incomes may fall. For Jamaica, with its high levels of unemployment and underemployment, providing opportunity is more important than concerns over maintaining incomes of the few. Though low incomes cause resentment, unfair barriers to entry cause more. Entry should be permitted with tourism agencies concerned to ensure that product and service diversification results in a comparatively small fall in incomes.

Jamaica is in the process of establishing support infrastructure for the development of micro and small businesses, including access to business support services and to loan finance. The tourism industry must play an active role in this process. The HCU described above includes specialists in small business development. These specialists are expected to perform two functions:

- (i) Serve as point of contact and provide advice and guidance to business support specialists working with start-up businesses concerned with the tourism industry;
- (ii) Through liaison with the PDCs, help to identify new start-ups and refer them to appropriate sources of advisory and financial support.

It is not intended that the specialists provide business support themselves, as they would be overwhelmed by the level of demand for their services. They are expected to serve as specialists on tourism businesses to support general business support providers. Where new start-ups in the tourism industry cannot find assistance from the business support agencies and they are not eligible for assistance as a heritage attraction or product, with the approval of the PDC and with reference to a panel made up of representatives of the MOTS and the JTB, the advisers could source specialist business support for the business from the private sector. The cost of such assistance should be kept to a maximum of US\$5,000 per recipient and take the form usually of preparing applications for loans from an identified source or to resolve an identified business problem. The sum of US\$100,000 per annum would be provided for this purpose to be used to provide a grant as seed capital for the business. It should be noted, however, that this is an exceptional facility to be used only if the normal channels for business support in Jamaica are not accessible or effective.

Under the guidance of the National Development Council and with the support of donors, organisations such as MIDA are establishing loan funds for micro and small businesses. These loan funds aim to overcome the constraint of lack of collateral that prevents many new businesses from borrowing from the commercial banks or even the Jamaican DFIs. The size and lending terms of the loan funds are being determined. It will remain to be seen how effective these funds are in meeting the problem of lack of access to finance in Jamaica.

What is important is that the HCU specialists establish contact with and start to access these funds for tourism start-ups. Micro and small businesses in the industry and those hoping to supply it are in urgent need of such a facility.

In addition to the above, a special programme to develop the crafts industry has been described under Heritage in Chapter V.

7.4.2 Agricultural Produce

The tourism industry can help increase rural incomes whilst improving the supply of food available to hotels and restaurants.

The tourism industry is a major consumer of food. In 1994 a survey of food use in the hotel sector carried out by the Ministry of Agriculture estimated that the hotels alone spent J\$2.3 billion on food, of which 75%-80% was spent on the purchase of local foods.

The 1998 study of the economic impact of tourism reported that the direct linkage with tourism generated J\$1.1 billion of agricultural value added. The tourism industry is a major end user for agricultural produce, accounting for over 10% of the country's output of meats and eggs.

Clearly, the tourism industry is already making a valuable contribution to agriculture and rural development in Jamaica. Yet the current situation is unsatisfactory from the viewpoints of both farmers and the tourism industry, as:

- (i) Currently, milk, eggs and meat account for nearly 60% of the hotel industry's spend on food. Its requirements for other fresh and processed foods are inadequately met by local suppliers;
- (ii) The Ministry of Agriculture's survey of the hotel sector reported nearly 60% of hotels expressing the view that they had strong unfulfilled demand for local products. The survey identified 57 products that farmers in Jamaica could increase supply to the hotel sector;
- (iii) The quality and regularity of supply was found wanting and many hoteliers complained of having to spend hours sourcing supplies. The survey found that 40% of hoteliers were dissatisfied with their meat supply and that 80% of hoteliers experienced irregular supply;
- (iv) Farmers and hoteliers complain of the high margins charged by intermediaries;
- (v) Farmers complained of a lack of awareness of the purchasing needs of hotels to plan crop production and rotation.

The main problem underlying this unsatisfactory situation is the poor system of agricultural marketing in Jamaica. Jamaica is characterised by a large number of small farms which need an efficient system of marketing to bring their products to market.

In the past, the Government tried to assist agricultural marketing by establishing a parastatal, the AMC. The system was inefficient and so the corporation was dissolved. In place of the AMC, the current system combines the activities of large food processing companies such as Grace with a large number of small intermediaries who bring produce to market and supply the hotel industry.

In general, where the marketing is done by large egg, milk and meat processors, the system works well, though a better understanding of the tourism industry's needs would help to provide the consistency and quality required. The greatest area of dissatisfaction is with the supply of fresh horticultural products, including traditional Jamaican produce, as these are supplied by intermediaries and grown by small farmers.

Increasing the supply of horticultural products would serve to improve rural incomes. This is acutely relevant today. The dismantling of preferential access to EU countries as well as general lowering of Jamaica's tariff barriers has resulted in strong competition from imports and loss of markets and these trends will continue. Jamaica's small farms cannot compete with the large-scale producers in the USA and Latin America.

The tourism industry represents a consumer willing to pay a premium for freshness, quality, exotic appeal and special characteristics such as organic production methods. This should allow local farmers to out-compete

imports and earn attractive prices for their produce. The tourism industry cannot solve the problems of Jamaican agriculture but can provide an additional outlet for a significant number of small farmers.

The key measures required to increase the purchase of local agricultural produce by the tourism industry are:

- (i) for TPDCo working through the JHTA and its affiliated organisations, to establish, with the support of RADA, a system for hoteliers to indicate their purchasing requirements on an annual and quarterly basis;
- (ii) RADA should disseminate this information to farmers able to supply these needs and where appropriate, involve processors in their supply;
- (iii) RADA should train intermediaries in ways to work with their clients and farmers to ensure regular supply of the produce required. It should help cement the contractual relationship between hoteliers and their suppliers and between the intermediaries and farmers;
- (iv) RADA needs to work with farmers to improve seed selection, crop rotation, grading and selection and post-harvest storage and packaging to ensure a uniform, high level of quality produce presented as the hotelier or restaurateur requires.

A pilot of the way the system could work and the benefits it could provide is already in place. The Sandals Chain is working with small farmers to produce exotic vegetables such as Duke tomato, snow peas, zucchini, yellow squash and red cabbage for its consumption and for export. Sandals is working with RADA to provide training in horticultural methods and inputs including fertiliser, pesticides and seeds. It has chosen crops it has a demand for year round to ensure that farmers continually have an outlet for what they produce.

On a national scale, replicating the Sandals project would be too expensive for the tourism industry. However, given the right format, the hotel industry appears to be willing to work with RADA, devoting considerable time and resources. TPDCo's CSU could facilitate the venture. The responsibility for working with farmers and intermediaries and helping to develop contractual relationship with the tourism industry needs to be taken by RADA.

7.4.3 Identifying the Benefits of the Tourism Dollar

One of the problems of Jamaican people appreciating how much they benefit from the tourism industry is that the benefits from tourism are diffuse. It is no good pointing out that without the industry's foreign exchange contribution, the cost of medicines in Jamaica would be higher and that many critical social services may no longer be affordable. The benefits of tourism must be made more visible. In a limited way, TPDCo has attempted to make the benefits of tourism more visible by putting up signs that state that the tourism dollar is working for the community whenever and wherever it undertakes projects; this is useful, but clearly does not capture the very many other ways tourism contributes to development such as helping to pay for physical and social infrastructure.

It is recommended that the JTB be charged with developing a logo that would be used for every project, initiative or service that is made possible as a result of tourism. Thus not only would hotels, attractions, entertainment venues, restaurants and cafes, the craft markets, in-bond shops and other tourism-related retailers, tours, taxis, car rental firms and major suppliers of the industry carry the logo, but also infrastructure such as sewerage, water and telecommunications, schools, hospitals, town centres, redevelopments of parts of towns, towns and villages of culture, in short all the activities described in this Master Plan would carry that logo too.

The logo would thus make visible the contention of the Plan that Jamaica needs a growing and vibrant industry for its economic and social upliftment.

7.5 Environmental Sustainability

As is the case with heritage, the protection of Jamaica's unique and fragile environment is essential for the preservation of the rights of future generations, not just for the tourism industry. Of course, the Jamaican tourism industry relies on the preservation of the environment. The environment is its product and any loss of water quality or beach erosion, loss of habitat and deforestation represent direct threats to its sustainable development.

The Diagnostic & Strategic Options Report and the Carrying Capacity Study contain detailed stock take of the state of the environment. They conclude that the environment on which the industry relies is under threat and unless remedial action is taken swiftly and effectively, the result will be the degradation of the environment and the decline of the industry.

The causes of environmental degradation are many and include the impact of other industries such as mining and agriculture. The encroachment of human settlement, through migration, on ecologically sensitive areas and the exploitation of natural habitats above their carrying capacity have also been major contributors. But perhaps the single largest contributor has been the failure of infrastructure, particularly sewerage, water, solid waste disposal and storm water drainage to keep pace with human settlement throughout the Island.

Tourism has also played its part in environmental degradation. It has been responsible for generating the pollution that has affected the resorts and it has helped alter settlement patterns so that migration has occurred to areas that did not have the capacity to absorb the numbers of people.

Tourism is thus in a two-way relationship with the environment. On the one hand it must champion the preservation of the environment as it is totally dependent on the maintenance of a pristine environment for its survival. On the other hand, it exploits the environment in serving its client base. This two-way relationship places a heavy burden on tourism to manage the environment effectively.

Tourism cannot solve the problems of environmental degradation by itself. What it can attempt is to set its own house in order so that its effect on the environment is minimal and to use the resources at its disposal to work with agencies attempting to preserve the environment to improve the effectiveness of their efforts. The ways it can do so are discussed below.

7.5.1 Improving Tourism's Environmental Impact

From the viewpoint of using natural resources – air, sea, marine life, land, water, flora, fauna – tourism has drawn exceptionally upon the beaches, sea and marine life. Inland, tourism has used some natural assets such as the rivers significantly but impacted little upon fauna and flora. The industry's major environmental impact has been the generation of waste, both solid and water borne. The main adverse impacts are as follows:

- ▶ Pollution caused by the overuse of existing infrastructure due to high tourist numbers and by the use of chemicals;
- ▶ Potential public health hazards and environmental damage caused at ports and airports by cruise ships and airport waste;
- ▶ Encroachment of tourism development into environmentally sensitive areas such as the Great Morass in Negril;
- ▶ Over-fishing of the lagoon due to demand for fish from the tourism industry and damage done to reefs by tourists and souvenir sellers;

- ▶ Over-exploitation of natural based assets such as Dunns River Falls and disturbance to the environment caused by activities such as motor sports;
- ▶ Loss of beach front owing to induced erosion caused by inappropriate seaside structures;
- ▶ Encroachment of tourist facilities on adjacent non-tourist space and illegal development of tourist facilities or related housing;
- ▶ Failure to comply with planning regulations resulting in over-building, leading to continuous development which detracts from the appreciation of the environment;
- ▶ Poor sanitation infrastructure and sewage disposal in the case of some hotels and other accommodation;
- ▶ Poor conservation of water and energy at most hotels and other accommodation;
- ▶ A failure to recycle and dispose of waste in an environmentally friendly manner.

Whilst solutions to some of these problems lie outside the tourism industry, there is much that the tourism industry can do to reduce its direct, adverse impact on the environment. The industry cannot pressure Government to address wider environmental issues until it has set its own house in order.

The first and most decisive measure is to implement the location strategy developed in the previous chapter. This calls for the concentration of tourist accommodation in the three resort centres that have the infrastructure to cope with higher visitor numbers with additional investment. The expenditure of US\$8 million per resort to collect solid waste from squatter communities, build sediment traps and pump sewage to an outfall well beyond the reef is a pre-condition for continued growth. The funds for this investment should be sourced from the EFJ or donors, who should be willing to enable such vital investment.

More effective management of marine parks, including the control of over-fishing by creating alternative employment for fishermen, is also integral to the measure. The sum of US\$0.5 million per annum for the effective management of each marine park and to operate the three environmental measures listed, should be paid to the marine parks from the Master Plan Fund described below.

The second measure is to offer all businesses and households within easy reach of sewerage the option of paying over 5 years for hook-up with the cost of interest added on. Businesses electing to pay for hook-up would be allowed an accelerated depreciation provision. This should reinforce the effect of the first measure and ensure that the target of over 20% coral cover on the reefs of the major resort centres can be achieved.

Allied to the first two measures is the recommendation in the location strategy that no large hotel development take place outside the resort centres and resorts, unless they can prove that they have in place measures to mitigate environmental impact. Henceforth, the EIAs that are a statutory requirement for obtaining a NEPA permit must look into the effect on settlement patterns caused by the workers of the hotel and the economic effect of the hotel generally. A hotel able to demonstrate excellent environmental management systems but one that is not able to provide assurances on whether its workers would be able to live in communities with adequate infrastructure should not be given a permit.

This is a measure that must be enforced by the NEPA. Politicians and other agencies must respect the need for this measure. The NEPA should also withdraw the permit of all attractions operating above their carrying capacity and all hotels that have violated their planning and/or environmental regulations. This will become an important tool for NEPA as EIAs are carried out on existing hotels during the next few years.

There are in addition the following measures that the industry itself should take:

- ▶ Improve the availability of information on environmental management using external sources such as UNEP (Environmental Action Pack Initiative for Hotels); the World Tourism Organisation; Caribbean Tourism Organisation; International Hotel Environmental Initiative; JHTA and its publications such as the “Environmental Code of Conduct for Hotels”, and the “Manual for Environmental Conscious Hotel Operations” (both are constantly in demand and hard to get, and, as yet, very few small hotels know about them); the TPDCo guidelines for eco-tourism and for nature attractions;
- ▶ Increase the environmental management content of training provided by TPDCo and other training providers such as HEART/NTA and ensure that graduate courses in hotel and tourism management cover the subject in sufficient depth;
- ▶ TPDCo should provide a matching grant facility for a 10 day environmental audit for each small tourism establishment costing the public sector US\$2,500 per establishment. The audit's output should be practical advice on energy saving, reducing the use of harmful chemical recycling schemes and interface with guests to minimise environmental impact. The facility should be sufficient to carry out 20 audits per annum for the ten years of the Master Plan;
- ▶ Provide for 100% write-off against tax on all capital expenditure on equipment for environmental management purposes and ensure that its import does not carry any import duty;
- ▶ The industry should voluntarily adopt the Building Code prepared by the World Bank/CIDA Demand-side Management Study that can save up to 40% of the energy bill;
- ▶ Institute a policy of self-policing the industry with regard to compliance with planning set backs and the enforcement of sewage discharge and other environmental standards. It would be up to JHTA, JAVA, AJAL and the others to take the lead in this direction.

A persuasive case can be built also for the provision of matching grants for assistance in obtaining formal environmental certification by small and medium businesses, either Green Globe or ISO 9000. Such certification will become common in the industry soon. The problem is that the process is expensive and it is already apparent that many small and medium size hotels just cannot afford it, even if its cost were halved. Thus it is not recommended to provide support to the tourism industry for environmental certification. Instead it is proposed to provide support to the tourism industry to undertake audits of their environmental impact followed by advice on how to improve environmental management. The audit would bring much of the environmental improvements for a modest sum, leaving it to progressive businesses looking to profit from the marketing benefits of environmental certification to introduce it into their hotels.

7.5.2 Co-operation with Other Agencies

The issue of environmental sustainability demands that the industry co-operate with the agencies responsible for the preservation of the environment. Such agencies are, in fact, ensuring the survival of the tourism industry. One example of such co-operation is the topping up of the funding of the marine parks noted above. But there are other ways that the industry could, and should co-operate to preserve and protect the environment.

The principle of meeting the funding gap left by other agencies should apply equally to national parks such as the Blue and John Crow Mountains that are woefully under-resourced. Again the Master Plan Fund should be used to provide an annual operating grant for this purpose. The principle should apply also to other protected areas. It should be possible for a threatened protected area to apply to the Master Plan Fund for assistance in meeting capital or operating expenses.

As noted in Chapter V, priority should be given to national parks and protected areas in developing eco-tourism so that their financial sustainability is enhanced and they are, in the long run, able to manage their affairs independently of such grants. The marine parks, with the approval of NEPA (and a change in regulations) should be helped to develop charges for all use of the beach and the revenues from beach licensing ring

fenced to protect and develop beaches. The national parks should also be assisted by the JTB and TPDCo to develop and implement business plans that address the issues of developing services for which they could charge and marketing those services to the tourism industry and visitors. A sum of US\$50,000 p.a. should be provided to TPDCo for this purpose.

Working with the marine parks, the JHTA and JAVA local Chapters should adopt a policy of only buying fish from fishermen that are known to and approved by the marine parks to provide an incentive for responsible fishing. Already a voluntary scheme for conch has produced results. Fishermen that have lost their livelihoods because of the ban on fishing, recommended by the marine parks, should be given preference in employment by the industry. Again, this is a measure that the industry can adopt on a voluntary basis.

TPDCo should assist NEPA with the training of its Environmental Warden Service. This should be combined with the training up and empowerment of NEPA wardens so that they are given the same powers of arrest as the Environmental Warden Service.

7.6 The Role of the Tourism Agencies

The sustainable development of tourism will call for a change in the role played by the tourism agencies. They will have to start to have much closer contact with local communities and regard the total visitor experience offered by the country as their remit. For the JTB, this will mean extending its local office network deeper into the communities and organising programmes such as resort marketing and events so that they become the tools of the resort boards and their parish sub-committees. It would no longer lead on resort marketing but become the servant of the restructured resort boards.

For TPDCo each of the last three chapters has called for a change in its role and functions. Although the organisation has always had greater involvement with local communities than the Board, cumulatively the organisation faces a major change in its role. That change in role is described below.

7.6.1 The Role of TPDCo

The main changes envisaged in TPDCo's role are as follows:

- ▶ The Standards Department would exercise stewardship of the Industry Restructuring Fund and monitor the effectiveness with which the industry is able to improve its competitiveness;
- ▶ Develop and service a national HRD Council for the industry that would introduce a system of vocational training, undertake a literacy programme, support the industry in training the workforce and increase the number of workers in receipt of training annually;
- ▶ The company would take on the remit of supporting the development of the country's heritage into the distinguishing feature of the country's tourism product and work with the heritage agencies (JNHT, JCDC and NEPA) in conservation and development. The Standards Department, would include a HCU that would effectively serve to manage the Heritage Fund that would become the vehicle for preserving and developing the country's unique heritage;
- ▶ In conjunction with the UDC and with parish councils, it would start to focus the resources of its Project Implementation Department on the strategic development of the major heritage attractions, the resort centres and in developing the resorts;
- ▶ It would take the lead in approaching the Ministry of Local Government and Community Development on the integration of the PDCs into the resort boards and their empowerment by the parish councils and other ministries to define and develop the appropriate tourism experience in each parish;

- ▶ Ensure that there is adequate provision of sites for micro and small businesses to sell crafts, services and other goods to the visitor and that, in future, the provision of such space is built into the design of all attractions, trails, resort centres, towns and villages of culture and so on;
- ▶ Serve as experts on the development of micro and small businesses in the tourism industry and work with the emerging structures of business support and loan finance for such businesses in Jamaica;
- ▶ Facilitate the increase of the supply of agricultural produce to the tourism industry by providing information to RADA on the industry's needs;
- ▶ Support the industry's efforts to adopt environmental management systems by providing information, training and managing a matching grant facility to enable small and medium businesses to carry out environmental audits;
- ▶ Working to support the efforts of NEPA in improving the quality of enforcement and by providing support to parks and protected areas to establish eco-tourism that would help them fund the protection and conservation of the environment.

It is envisaged that during the course of the Master Plan the organisation will transform its role as set out above. Perhaps more importantly, it will leave behind its current role of serving to paper over the lack of maintenance of public places by local government and start to engage in the crucial issues for the sustainable development of the industry such as empowering communities, instituting bottom-up planning, ensuring the benefits of tourism are spread widely and that the goal of environmental sustainability is achieved.

To enable the organisation to play this enhanced role, it is envisaged that its budget will rise by US\$4.38 million per annum. The increase in funds per annum would be as follows:

- ▶ US\$0.23 million for the first 5 years for matching grant assistance to undertake industry restructuring – audits and providing technical assistance;
- ▶ US\$1.15 million p.a. for the HRD database, literacy, skills upgrading and in-house training programmes;
- ▶ US\$1.0 million p.a. for a new HCU;
- ▶ US\$0.2 million for supporting the crafts;
- ▶ US\$0.2 million p.a. for heritage trails, scenic routes, interpretative markers, etc;
- ▶ US\$1.4 million p.a. for the parish sub-committees of the resort boards;
- ▶ US\$0.1 million p.a. for business support for micro and small businesses;
- ▶ US\$0.1 million for environmental audits and support to national parks and protected areas to increase earnings from eco-tourism.

In addition, the company would become the custodian of the industry restructuring credit line and the heritage fund. Both of these would provide substantial resources for product development. TPDCo should become a powerful instrument for the development of products and ensuring the sustainable development of tourism.

7.7 Conclusions and Recommendations

The major recommendations set out above are as follows:

1. To institute a system of community based tourism, it is recommended that PDCs, CBOs, NGOs and cultural and heritage groups be invited to participate in the resort boards. These restructured resort

boards should be responsible for planning the development of tourism by determining the type of visitor experience on offer and how it is marketed, managing the visitor interface and the development of local priority products;

2. The parish sub-committees of the resort boards would form the base of a system of bottom-up planning for tourism that would, through the MOTS, reflect local priorities and initiatives in the annual budgets and three year corporate plans of all the tourism agencies. The resort boards would also seek to ensure co-ordination between tourism and the parish councils, PDCs and agencies responsible for the development of physical and social infrastructure; where Resort Partnerships have been established, the resort boards would participate in their running and seek to sensitise them to tourism's needs;

3. The parish sub-committees would take charge of managing the visitor interface, setting policy for the resort patrols and public education campaigns aimed at sensitising the public to the role, needs and importance of tourism. They would be responsible for a budget of US\$100,000 per annum per parish that would be devoted exclusively to local priorities determined by them;

4. The benefits of tourism would be spread more widely to help develop an inclusive tourism industry. Support would be provided to community based ventures and micro and small businesses through the TPDCo HCU. A programme would be established in partnership with RADA to increase the supply of agricultural produce to the hotel industry. The EIA for all tourism projects would include ensuring that provision has been made to provide opportunities for local people to sell goods and services to visitors and training provided to vendors, not only of crafts but all merchandise, including also informal vendors;

5. Designing a logo that would identify all infrastructure and social services provided as a result of the funds and economic rationale provided by tourism;

6. Environmental sustainability would be achieved through reinforcing the location strategy and environmental mitigation measures described in Chapter VI with support to the industry to reduce its environmental impact. The support would include better availability of information and financial support for undertaking environmental audits that would help identify ways to mitigate environmental impact. The tourism industry would be expected to introduce a voluntary programme of monitoring compliance with planning and environmental standards;

7. There is a need for more effective co-operation between tourism and the environmental agencies with the NEPA providing the means to implement location strategy and improved environmental management through its EIAs and the tourism agencies helping the national and marine parks with resources through helping them develop markets for visitors so that they are able to implement eco-tourism principles;

8. TPDCo's role needs to be changed so that it takes on the roles of supporting community based development, developing a more inclusive industry and helping to ensure environmental sustainability.

The major policy initiatives are to restructure the resort boards, provide their parish sub-committees with funds, institute bottom-up planning, support micro and small businesses through establishing the HCU at TPDCo, work with NEPA to change EIA criteria and institute eco-tourism and provide funds for environmental audits.

VIII The Action Plan

8.1 Introduction

This section summarises the actions and initiatives that need to be taken to implement the Master Plan. It sets out the sequence of activities, the institutional responsibilities for delivering the Plan and its costs. It then examines sources of funds and the costs and benefits of the total investment, examining the impact on GDP, foreign exchange and employment.

8.2 Key Actions

8.2.1 Preparatory Actions

The starting point for the implementation of the Master Plan will be to discuss this document with the stakeholders: the tourism and development agencies, the industry associations, key community groups and key ministries of the GoJ. The Plan should be presented to them at a national consultation and, when suitably amended to take on board the comments received, laid before Parliament.

Publicising the Plan will be essential to mobilise support from the large number of stakeholders in the industry. The Plan's success will depend upon the large number of people directly and indirectly involved in the industry working to a common vision for the industry to bring it to fruition. During the consultations on the Draft Plan, many communities requested that the Plan be made available at local libraries.

To implement the Plan there should have been an intense phase of preparatory activity up to the end of 2002 to prepare the ground for implementing the Master Plan. The main preparatory actions are listed in the following pages (Figure 8.1). The starting point for the Plan would be for MOTS to appoint a small team to commence its implementation. Based on the experience of Highway 2000, to overcome the difficulties of inter-agency co-ordination, the team should have the mandated authority of the Prime Minister.

Much of the preparatory actions need to be initiated by MOTS, the custodian of the Plan. But they will involve also all the tourism agencies, JAMPRO and UDC with the support of the private sector industry associations (JHTA, JAVA, AJAL, JUDA, JUTA, JATO, JCAL, etc). This will represent the start of the private-public partnership that the Master Plan aims to establish.

Figure 8.1

>> Master Plan Sequencing, Timing, Responsibilities, Preparatory Actions				
Start Date	Field	Lead Institutions	Actions Required	Completion
1st Quarter 2003	Master Plan Management	MOTS	<ul style="list-style-type: none"> ▶ Appoint team of three – Team Leader, tourism expert, communication expert – to initiate Master Plan. Obtain Prime Minister's authority for team ▶ Seek assistance from donors to provide short term Technical Assistance to team ▶ Bring together agencies involved in lead projects 	4th Quarter 2003
1st Quarter 2003	Marketing	MOTS	<ul style="list-style-type: none"> ▶ Issue guidelines to agencies to re-orient marketing strategy. Collate plans, prioritise & allocate targets ▶ Agree budgets with MOF and revise responsibilities, targets 	1st Quarter 2003 2nd Quarter 2004
1st Quarter 2003	Heritage	MOTS – with support from Development Council	<ul style="list-style-type: none"> ▶ Establish inter-ministerial committee ▶ Establish structure for Heritage Fund and financing ▶ Submit project for funding to donors – USAID, EU, IDB 	1st Quarter 2003 2nd Quarter 2003 3rd Quarter 2003
2nd Quarter 2003	Community-based Tourism	MOTS – with SDC, PDC	<ul style="list-style-type: none"> ▶ Restructure Resort Boards with SDCs and PDCs to increase community involvement. Establish parish sub-committees ▶ Establish Heritage & Community Support Unit and commence planning and developing guides ▶ Support small businesses 	2nd Quarter 2004
1st Quarter 2004	Environment	MOTS – with NEPA & ENGOS	<ul style="list-style-type: none"> ▶ Finalise environmental management plans within marine park trusts in Montego Bay and Negril. Plan activation of Ocho Rios park trust and finalise plans. ▶ Submit applications for EFJ/donor funding for capital expenditure 	4th Quarter 2004

>> Master Plan Sequencing, Timing, Responsibilities, Preparatory Actions (continued)

Start Date	Field	Lead Institutions	Actions Required	Completion
3rd to 4th Quarter 2003	Tourism Industry	TPDCO - with JTB and industry associations	<ul style="list-style-type: none"> ▶ Re-establish HRD council, financial plans for HRD ▶ Establish mechanisms for undertaking audits, providing matching grant funds ▶ Establish matching grant schemes for restructuring and training 	1st Quarter 2003 3rd to 4th Quarter 2003 3rd to 4th Quarter 2003
4th Quarter 2004		MOTS	<ul style="list-style-type: none"> ▶ Submit funding application for credit line to MoF, donors ▶ Register approved suppliers of technical assistance ▶ Launch Literacy Programme 	4th Quarter 2003
2nd Quarter 2003	Tourism Industry – FDI	Master Plan Team JAMPRO, UDC, JTB, JAMPRO	<ul style="list-style-type: none"> ▶ Establish list of properties (hotels, land) to offer to foreign investors and priorities. Agree terms and conditions of offer ▶ Develop list of target investors for EP hotels, large convention hotels and sports and leisure complexes ▶ Commence FDI mobilisation 	4th Quarter 2003
3rd Quarter 2003	Resort Development	Master Plan Team UDC, TPDCO, JAMPRO, Local Govt.	<ul style="list-style-type: none"> ▶ Establish resort partnerships ▶ Submit application for technical assistance 	3rd Quarter 2003
			<ul style="list-style-type: none"> ▶ Release tender for pilot projects 	4th Quarter 2003
2nd Quarter 2003	Major Heritage Projects	Master Plan Team UDC, TPDCO, JNHT	<ul style="list-style-type: none"> ▶ Evaluate progress on Port Royal. Either launch as planned or prepare fall-back plan. Submit to GoJ, IFIs, grant making bodies ▶ Finalise project documents for Falmouth, Spanish Town and Seville. Submit to GoJ, IFIs, grant making bodies 	3rd Quarter 2003 3rd Quarter 2004
Early 2004	Tourism	MOTs with MoF	<ul style="list-style-type: none"> ▶ Agree incentive regime for tourism industry ▶ Agree funding of Master Plan 	3rd Quarter 2004

8.2.2 The Milestones

The preparatory actions will allow MOTS to develop the framework for implementation. It will then be possible to monitor the progress of the Master Plan against realistic milestones. At this stage, the main milestones envisaged are as follows:

- ▶ First Quarter 2003 – Appoint the three person team to initiate the implementation of the Master Plan;
- ▶ First Quarter 2003 – Launch of new marketing guidelines;
- ▶ Second Quarter 2003 – Restructure resort boards, establish parish sub-committees;
- ▶ Third Quarter 2003 – Monitor progress on Port Royal and either implement current plan or prepare fall back and submit to GoJ, donors, IFIs, private sector;
- ▶ Third Quarter 2003 – Establish resort partnerships in all three resort centres;
- ▶ Fourth Quarter 2004 – Launch craft development programme;
- ▶ Fourth Quarter 2004 – Establishment structure of literacy and vocational training with approved training providers;
- ▶ First Quarter 2004 – Establish Heritage Fund;
- ▶ First Quarter 2004 – Launch FDI programme;
- ▶ Second Quarter 2004 – Establishment of Heritage and Community Support Unit at TPDCo;
- ▶ Second Quarter 2004 – Finalise project documents for Seville, Spanish Town, Falmouth and submit for funding;
- ▶ Third Quarter 2004 – Launch parish visitor guides;
- ▶ Third Quarter 2004 – Launch the tenders for pilot resort partnerships projects – Negril Town Centre and Gloucester Avenue;
- ▶ Third Quarter 2004 – Establish support facility for micro and small businesses and launch agricultural produce supply scheme with RADA;
- ▶ Third Quarter 2004 – First FDI investor delivered using new approach;
- ▶ Fourth Quarter 2004 – Ensure marine parks have commenced expenditure on capital projects to increase coral cover and that they are receiving operational cost support;
- ▶ Fourth Quarter 2004 – Launch restructuring facility for industry;
- ▶ Fourth Quarter 2005 – Evaluate result of first round of resort partnership tenders and launch second set;
- ▶ Second Quarter 2005 – Declare first town and village of culture and sites selected for tourism development action areas;
- ▶ First Quarter 2007 – Complete restructuring of the industry and withdraw facility;
- ▶ Third Quarter 2007 – Carry out mid-term review of the Master Plan;

The initial action required is to appoint a team of three individuals to take forward the Master Plan as follows:

- a team leader able to galvanise the government machinery and obtain the co-operation of the various ministries and agencies. He/she should be given the delegated authority of the Prime Minister and Development Council to implement the Master Plan, following the precedent set on the Highway 2000 project;

- a tourism industry expert able to provide practical guidance on Master Plan issues to the team leader and with sufficient standing to mobilise the support of the industry;
- a communications specialist who could initiate the process of informing the public and mobilising opinion in support of the Master Plan.

It is likely to take some time to finalise the financing arrangements of the Master Plan. In the interim, the team can focus on major projects that are suitable for private sector or mixed public/private financing. The initiation of the programmes to mobilise FDI, fund the major heritage projects and invest in the resort centres through the resort partnerships are prime examples of these projects. The team should have available to it, short term technical assistance in disciplines such as corporate finance, public/private partnerships, urban renewal, heritage projects, etc, on an as required basis. The MOTS should approach donors to make available to the team short term consultancy support in these disciplines. These short term experts would help to ensure that the team has all the necessary skills at its disposal.

There is another rationale underlying the choice of these first programmes to be announced to the industry and public. The programme has been selected to achieve two key objectives:

- (i) creating momentum for growth;
- (ii) signalling the new direction of the tourism industry.

The rationale for choosing the above programmes is that they are major components of the Master Plan and represent a major change in direction for tourism in Jamaica. Similarly, the choice of other programmes such as the launch of the new marketing initiative for Europe is based on the fact that success builds success. So, the announcement that JTB is launching a new initiative aimed at increasing visitor numbers from Europe will serve as an incentive for the industry to also target markets in Europe and help JAMPRO target European flag chains.

Signalling a break with the past is always useful to open up debate and build consensus. Hence, announcing the new emphasis on heritage and the communities of Jamaica is likely to signal to all that the GoJ intends a change in course and this will no doubt provoke reaction and debate. The debate will help cement the new direction for the industry.

8.3 Institutional Responsibilities

8.3.1 The National Framework

The prime responsibility for implementing the Master Plan will lie with MOTS. It is the Ministry responsible for guiding and shaping the tourism industry and the Master Plan is its tool for so doing. But the Master Plan cannot be delivered by the Ministry alone, nor indeed by the public sector on its own. It epitomises the kind of initiative that has given rise to the concepts of joined-up government and private-public partnership.

To ensure that the co-ordinated resources of the entire public sector are brought to bear on this crucially important undertaking, it is recommended that a high level steering committee be established by the Development Council to oversee its implementation. The committee would be chaired by the Minister of Tourism and include the following ministries and agencies:

- ▶ Education, Youth and Culture
- ▶ Land and Environment
- ▶ Local Government and Community Development

- ▶ Finance and Planning
- ▶ UDC
- ▶ PIOJ
- ▶ SDC
- ▶ NEPA
- ▶ JCDC
- ▶ NWC
- ▶ JAMPRO
- ▶ Two representatives from the industry selected by the Minister of Tourism

The committee would meet only six monthly and focus on policy, resource mobilisation and allocation and co-ordination of activities. It would serve to ensure that any bottlenecks to implementation can be resolved by the authority of the Cabinet itself. The committee should have the authority of the Prime Minister to set priorities and demand the support of all public and private entities.

The actual implementation should be undertaken by individual ministries and agencies, with co-ordination ensured by establishing sub-committees of the Master Plan Committee as follows:

- ▶ Investor Mobilisation comprising JAMPRO, UDC, FINSAC, JTB, JHTA, JAMVAC and Town Planning;
- ▶ Heritage including the Ministries of Education and Culture, Environment and Housing, Finance, the PIOJ, UDC, JHTA and AJAL and TPDCo;
- ▶ Resort Development comprising UDC, TPDCo, JAMPRO, Town Planning, NWC, Parks & Markets, Ministry of Local Government and JHTA;
- ▶ Community Development comprising SDC, TPDCo, Local Government, Environment, and Education and Culture;
- ▶ Environment comprising NEPA, NWC, Parks & Markets, Local Government and JHTA, TPDCo.

These sub-committees would constitute senior officials of the ministry or agency concerned. They would be empowered to commit their organisations to a course of action. They should meet quarterly.

8.3.2 The Tourism Agencies

Much of the burden of the Master Plan will fall on MOTS, the tourism agencies and the industry. It is recommended that MOTS form, at the industry level, a small but high powered group to oversee the implementation of the Master Plan. The group should comprise representatives of all the industry associations as well as senior officials of MOTS and the tourism agencies. The group should meet quarterly to review progress and take corrective actions as required.

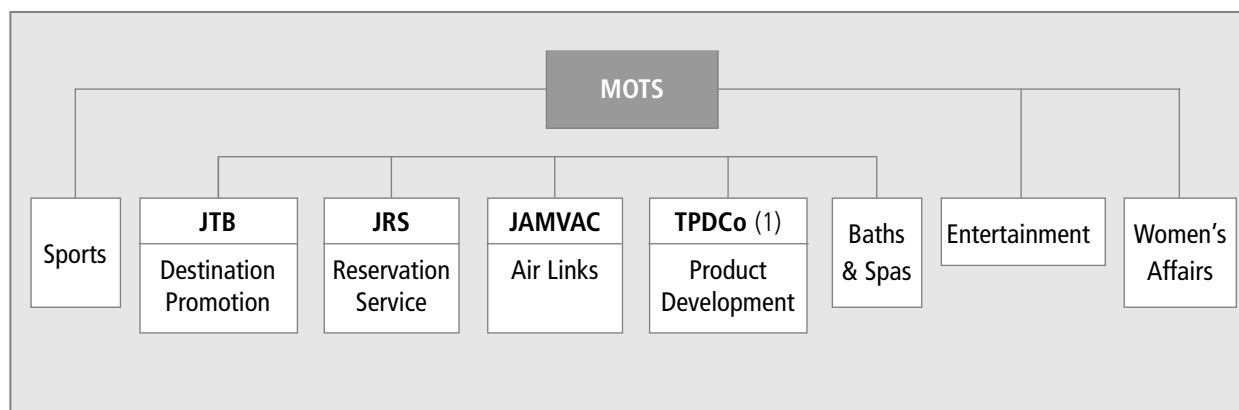
MOTS is short of human resources to oversee the implementation of the Master Plan. The core of the Ministry is formed by the old OPM(T) which was woefully understaffed to carry out its functions. To the OPM(T) has been added the portfolios of Sports, Entertainment and Women's Affairs with little extra resources. This situation must be addressed immediately.

In the development of capacity within the Ministry, there is one post that deserves special mention and that is of a sector strategist. The Master Plan must be a flexible vehicle capable of adjusting to changes in market conditions. It needs to have a sector strategist to monitor and review its progress and to work on policy. The

sector strategist could help to develop strategies for Sports, Entertainment and Women's Affairs and ensure that individual portfolios of the Ministry co-operate with each other.

MOTS will need to ensure that the four key tourism agencies work together to implement the Master Plan. The institutional structure of MOTS and its agencies is shown below.

Figure 8.2



Note: includes the River Rafting Authority

TPDCo includes Baths & Spas and the River Rafting Authority. It has also a subsidiary that is a limited liability company, used in the past to channel government investment in commercial ventures in the industry. This company is to all intents and purposes dormant. JAMVAC and JRS are managed by the same team but serve very different purposes so that there are, in fact, four key agencies.

Co-ordination between the agencies has been poor in the past. Even JTB and JAMVAC/JRS, essential partners in the same marketing endeavour, have failed to co-ordinate effectively. The two organisations JTB and TPDCo can be considered the marketing and production functions of the same business yet the level of co-ordination and co-operation is not high. They rarely undertake joint activities, even though in a modern business or other NTOs they would be inseparable.

MOTS will have to take it upon itself to co-ordinate between the tourism organisations. The annual budget round is the way of ensuring strategic coherence between them. At the working level, MOTS should, whenever possible, insist they form small teams made up of personnel from the concerned agencies. So, in providing support to small hotels, villas, guest houses and apartments, it should ask both JTB and TPDCo to nominate staff to work together on the initiative and nominate its own staff to the team to ensure that there is co-operation. However, as its own staff resources are limited, MOTS will find this a difficult process to utilise for all but priority initiatives.

8.4 Costs of the Master Plan

The approximate cost to the Government of Jamaica for implementing the various developmental components of the Master Plan is in the region of US\$270 million over the ten year life of the Plan. Figure 8.3 below shows the breakdown of costs over the first five years of the implementation period. After this there should be a mid-term review. The allocation of the remaining US\$140 million will be determined by the outcome of the review.

Figure 8.3

>> Cost of Master Plan Implementation – Government of Jamaica's Component (US\$'000)						
Expenditure Item	Yr 2003	Yr 2004	Yr 2005	Yr 2006	Yr 2007	Total
1. Increased marketing expenditure – JTB	11,500.00	11,500.00	11,500.00	11,500.00	11,600.00	57,600.00
2. JAMVAC	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	12,500.00
3. JRS	500.00	500.00	500.00	500.00	500.00	2,500.00
TPDCo LEAD ACTIVITIES:						
4. Community Based Projects	200.00	200.00	200.00	200.00	200.00	1,000.00
5. Increase in TPDCo Budget for Community-based Projects	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	7,000.00
6. Community Support Unit & TPDCo Heritage Unit	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	5,000.00
7. Tourism Development Action Plan	-	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
8. Towns and Villages of Culture	-	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
9. Heritage Matching Grant Fund	-	-	50.00	50.00	50.00	150.00
10. HRD Database, Advice to Businesses	600.00	600.00	600.00	600.00	600.00	3,000.00
11. Literacy Courses	200.00	200.00	200.00	200.00	200.00	1,000.00
12. vocational Courses	350.00	350.00	350.00	350.00	350.00	1,750.00
13. Support for Crafts	200.00	200.00	200.00	200.00	200.00	1,000.00
14. Environmental Management Schemes – Resort Centres	100.00	100.00	100.00	100.00	100.00	500.00
15. Environmental Audits	100.00	100.00	100.00	100.00	100.00	500.00
16. Technical Assistance for Restructuring	230.00	230.00	230.00	230.00	230.00	1,150.00
17. Small Business Support	100.00	100.00	100.00	100.00	100.00	500.00
TPDCo's SUB-TOTAL	4,480.00	6,480.00	6,530.00	6,530.00	6,530.00	30,550.00
UDC LEAD ACTIVITIES						
18. Major Heritage Projects:						
Port Royal (1)		5,000.00	2,000.00	2,000.00	1,000.00	10,000.00
Seville		1,000.00	1,000.00	2,000.00	1,000.00	5,000.00
Spanish Town		1,000.00	1,000.00	2,000.00	1,000.00	5,000.00
Falmouth		1,000.00	1,000.00	2,000.00	1,000.00	5,000.00
19. Resort Development (2)						
Negril	-	500.00	1,000.00	500.00		2,000.00
Montego Bay	-	-	-	-		
Ocho Rios	-	-	-	-		
SUB-TOTAL		8,500.00	6,000.00	8,500.00	4,000.00	27,000.00
GRAND TOTAL	18,980.00	29,480.00	27,030.00	29,530.00	25,130.00	130,150.00

Notes: (1) The cost of infrastructure is not included.

(2) Includes only projects earmarked for development using the Resort Partnership.

* Mid-Term Review after Year 2007

To realise the objective of the Plan, however, the Government's spending will have to be significantly augmented by the private sector through investment in the new hotel rooms, attractions and other tourist supported amenities.

The total cost of implementing the Master Plan is thus likely to be in the region of US\$2 billion with the vast majority (73%) coming from private sector-led investment. This is not surprising. The private sector has been investing at the rate of over US\$100 million per annum in the industry for much of the past decade, helping to add 600-800 additional rooms and adding to the attractions, tours, shopping and ground transport industries. Its appetite for investing in the industry would be increased by GoJ and UDC investing alongside.

The total costs of implementing the Master Plan, broken down by the likely source of funds, is shown in Figure 8.4 on the opposite page.

The rate of investment is projected to double from current levels as a result of the Master Plan, from approximately US\$100 million annually to US\$200 million. The largest source of funds is likely to be the financial institutions. They would be required to provide loan finance for both public and private sector led projects. With the problems of the domestic financial sector still not over, it is likely that much of this finance may have to be raised through the international financial institutions or by domestic financial institutions borrowing from the international market with GoJ providing guarantees. This issue will need to be discussed and resolved with the Ministry of Finance.

The private sector, both the industry and other domestic and foreign investors, are expected to contribute nearly US\$750 million. This is not likely to prove a barrier over the ten years of the Master Plan. It does not represent a huge increase over current levels of investment. UDC would be asked to increase its rate of investment substantially. However, much of its investment is likely to be in kind (land) and not impose a financial burden. With the exception of its commitment to the large heritage projects, it would be involved mainly in commercial ventures and if the burden of finance proved too much, the organisation could reduce its stake in the ventures, letting the private sector take a greater share.

With regard to the heritage projects, their implementation in the form envisaged at present will depend on raising finance from donors and international financial institutions willing to provide finance at low cost. If the large sums of money are not forthcoming, then these projects should be scaled back and implemented using funds earmarked for GoJ.

The role of GoJ in the financing of the Master Plan is crucial. Unless it takes the lead and shows its commitment to the Plan, the additional investment from the private sector may not materialise. Further, it would function as lender of last resort to the Plan. Whenever there is shortfall in funds from other sources such as donors, UDC and the financial institutions, it will need to step in to meet the shortfall.

GoJ is expected to provide an additional US\$230 million over ten years for the tourism industry. In addition, it will bear the lion's share of investment in the utilities and roads and social infrastructure listed in this document but not allocated as a cost of the Master Plan as it benefits local people more than the tourism industry. All this will be imposed on an exchequer already running an unsustainable public sector deficit and witnessing an erosion of its revenue base.

The tourism industry cannot expect GoJ to fund its development whilst the industry is not prepared to pay taxes. Delivering the conditions in which the industry can thrive costs money and, like all major industries, tourism must contribute. We examine options for the way that GoJ can finance its contribution to the Master Plan, below.

Figure 8.4

>> Total Costs of the Master Plan – 2000 - 2010 (US\$'000)							
Expenditure Item	Total Cost	GoJ	UDC	Domestic Internat. DFIs.	Donors Grant	Tourism Industry	Other Private Sector
Public Sector Led							
1. Increased marketing expenditure – JTB	98,000	98,000	-	-	-	-	-
2. JAMVAC	17,500	17,500					
3. JRS	5,000	5,000					
4. Technical Assistance for small business	2,300	1,150	-	-	-	1,150	-
5. Credit Line for restructuring	70,000	-	-	35,000	-	35,000	-
6. Literacy courses	2,000	2,000	-	-	-	-	-
7. Vocational courses	10,500	3,500	-	-	-	7,000	-
8. HRD Database, Advice to businesses	6,000	6,000	-	-	-	-	-
9. Major Heritage Projects:							
- Port Royal (1)	75,000	10,000	5,000	25,000	-	-	35,000
- Seville	22,000	5,000	3,000	7,000	2,000	-	5,000
- Spanish Town	12,500	5,000	2,000	2,500	3,000		
- Falmouth	21,000	5,000	2,000	6,000	2,000		6,000
10. Towns and Villages of Culture	20,000	16,000					4,000
11. Tourism Development Action Plans	15,000	12,000	-	-	-	-	3,000
12. Community Based Projects – grant	5,000	5,000	-	-			
13. Other Heritage Projects	30,000	-	-	15,000		15,000	-
14. Heritage Matching Grant Fund	300	150	-	-	-	150	-
15. Support for Crafts	2,000	2,000					
16. TPDCo Heritage Unit	7,000	7,000	-	-		-	
17. Environmental management schemes-resort centre	29,000	5,000	-	-	24,000	-	-
18. Increase in TPDCo Budget for community-based projects	14,000	14,000	-	-	-	-	-
19. Community Support Unit	5,000	5,000	-		-		
20. Small Business Support	1,000	1,000					
21. Environmental Audits	1,000	500	-	-		500	
22. Resort Development (2)							
- Negril	40,000	2,000	8,000	10,000	-	-	20,000
- Montego Bay	25,000	-	5,000	10,000	-	-	10,000
- Ocho Rios	25,000	-	15,000	10,000	-	-	
SUB-TOTAL	552,600	229,300	40,000	115,500	31,000	53,800	83,000
Private Sector Led							
23. Foreign Investment in Hotels	450,000	-	100,000	225,000			125,000
24. Foreign Investment in Leisure complexes	50,000	-	10,000	25,000			15,000
25. Other investment in rooms	900,000	-	-	450,000		450,000	
26. Other investment in resorts	100,000	-	30,000	50,000			20,000
SUB-TOTAL	1,500,000	-	140,000	750,000	-	450,000	160,000
TOTAL	2,052,600	229,300	180,000	865,500	31,000	503,800	243,000

Notes: (1) The cost of infrastructure is not included. (2) Includes only projects earmarked for development using the resort partnership. Excludes UDC investment in the Freeport, Negril shopping complex at the airport, etc. Those are included under other investment in resorts.

8.4.1 Financing GoJ's Contribution

The pattern of GoJ's revenues and expenditures with regard to the tourism industry was examined in detail in 1997 by the economic impact study carried out for the JTB. The main sources of revenue at that time were departure tax and GCT with corporate taxes and import duties yielding less than statutory deductions and PAYE, as shown in Figure 8.5 below.

Since then, departure taxes would have increased in importance as the rate has been increased and visitor numbers have grown. As an indirect tax, GCT would also have increased with the increased visitor expenditure. Corporate taxation would not have increased much as the industry's profitability has declined and visitors have concentrated in accommodation that is relatively new and so exempt from corporate tax.

Figure 8.5

Revenues and Expenditures – 1997		
	J\$ (million)	% of Total
Revenue		
GCT	814.5	20.4
Departure Taxes	973.1	24.3
Import Duties	465.7	11.6
Other Taxes	411.5	10.3
P.A.Y.E.	514.5	12.9
Statutory Deductions	525.7	13.2
Corporate Income Tax	294.2	7.4
Total	3,999.2	
Expenditure		
JTB	1,240.0	
OPM (T)	351.3 (1)	
Civil Aviation Authority	(45.4)	
Ports Authority	(9.9)	
Total	1,595.4	
Balance	2,403.7	
Note: (1) Mainly for TPDCo		
Source: <i>Tourism in Jamaica, An Economic Analysis, JTB Statistics 1997</i>		

The figures here show that GoJ was running a surplus of revenues over expenditure with the industry. Even if allowance is made for the industry's share of infrastructure provided by GoJ, tourism was a net contributor to the exchequer. It should be noted that the practice of some observers to include Air Jamaica in the tourism account is incorrect. Air Jamaica, though no doubt a useful asset to the industry, is part of the transport sector and GoJ's contribution to it must be driven by transport not tourism policy. The tourism industry spends money through JAMVAC to improve transport links and has no influence on the gateways that Air Jamaica operates.

An excess of revenues over expenditures is entirely in keeping with the importance of the industry in Jamaica and its role in spearheading growth. If the tourism industry were not a net contributor, the Ministry of Finance would have an even harder job of keeping the public sector deficit under control.

What is being suggested in the various options below is that the industry and GoJ both contribute to raising the additional financial resources that the public sector will need to provide for the Master Plan. Further, that GoJ will initially have to invest in the industry, running a deficit of revenues against expenditure but will stand to gain through higher tax revenues in subsequent years.

The proposed changes to incentives in Chapter IV would reduce corporate taxation somewhat by providing tax relief to all attractions. They would also diminish the yield from import duties. However, there could be a major increase in the yield from indirect taxes. This would still leave Jamaica's tax regime competitive against other Caribbean countries and the accommodation sector better off than other tourism sub-sectors that pay the full rate of GCT. Heritage projects would be exempt from GCT.

It is proposed that any increase in the tax yield from the industry be hypothecated (ring fenced) for use by the industry for the period of the Master Plan. The proceeds should be deposited in a Master Plan Fund, the allocation of which would be determined annually by the Minister of Tourism with the Minister of Finance. The

Master Plan Fund would, in turn, allocate funds to marketing, product development, heritage, community-based tourism development and the environment.

Of course, there are many alternatives available. Modelled on the practice in Belize, it has been suggested that a US\$4 per person environmental or heritage levy be imposed on all visitors. This would not, however, prove sufficient to fund GoJ's contribution, raising only US\$17.6 million in 2010 when 4.4 million cruise and stop-over visitors are projected to arrive. Further, the levels of departure and cruise tax are already high by international levels, particularly as volume discounts are to be removed on cruise tax. Moreover, it would not make other businesses that would benefit from the development of the resorts contribute to the development of tourism.

Other countries have used the lottery and yet others a general levy on consumption or imports to fund the development of their industries. But levying a charge for the development of the industry, the preservation of the environment and/or heritage on accommodation is the most common and its use gaining ground in the Caribbean. The form of taxation of the industry and the financing of GoJ's contribution to the Master Plan need to be discussed and agreed with Ministry of Finance.

8.4.2 Cost-Benefit Analysis of the Master Plan

In economic terms, the justification of any sector development strategy is the benefit it generates in the form of additional national income as measured by GDP. Strictly speaking, the costs should be net of taxes and in measuring benefits, from incremental GDP should be deducted the cost of labour measured at its marginal cost. For simplicity's sake, we have left the costs in financial terms and assumed that incremental GDP is a good proxy for economic benefits.

Using the ratios of final demand to GDP estimated by the economic impact study for 1997 presented in Chapter IV, we have updated the industry's GDP contribution for the year 2000. This is the base figure from which incremental benefits are measured. Visitor expenditure is expected to increase as projected in Chapter III causing an increase in the turnover of the industry and its final demand for goods and services. In turn, this will cause an increase in GDP. It is assumed that the ratio of final demand to GDP will remain at the 1997 level.

Based on this method, we have estimated the increase in GDP resulting from the Master Plan. As a simplifying assumption, the full increase in GDP has been attributed to the Master Plan. Actually, it is likely that visitor expenditure would continue to grow without the Master Plan, though at a diminishing rate as the industry's growth is slowing. Even if allowance is made for growth without the Master Plan, it makes no difference to the overall conclusion.

In the early period of the Master Plan its costs exceed benefits as the investment in the industry will take time to result in an appreciable increase in GDP. But from year six onwards, net benefits would be positive. Discounted cash flow analysis shows that the net return to the Master Plan to be a sizeable NPV of US\$780 million in GDP at a 15% rate of discount. The internal rate of return to the investment is a high 39%. Even if the costs were to increase by say 20%, an additional US\$400 million, to allow for the cost of infrastructure and other related investment, the NPV remains strongly positive at the 15% rate of discount. The Master Plan is more than justified in economic terms.

GDP generated by the tourism industry is expected to increase at the rate of 8.5% p.a., slightly higher than the rate of growth of visitor expenditure. A higher proportion of visitor expenditure would be spent on sub-sectors of the industry such as attractions and transport that have comparatively higher GDP contributions per dollar of spend. The Jamaican economy is forecast to grow slowly over the coming decade with an average growth rate of no more than 2% p.a. As a result, the industry's share of GDP should increase from 8% or so currently to 15% by the year 2010.

The industry's foreign exchange earnings should rise in line with visitor expenditure at an average rate of 8.4% per annum over the Master Plan period. Of course, as visitor expenditure rises, so will the import bill of the industry. But assuming that the foreign exchange earned per dollar of expenditure remains constant, the net foreign exchange earned by the industry would increase from an estimated US\$800 million currently to be of the order of US\$1,800 million by the year 2010, making a huge contribution to the balance of payments.

Employment would increase from an estimated 75,000 currently to 130,000 by the year 2010, growing at an average rate of 5.7% p.a. over the Master Plan. With the workforce estimated to grow by an average 3% p.a., tourism's contribution to employment would increase from 8% currently to 10%.

In summary, the tourism industry would, as a result of the Master Plan, play the lead role in economic development envisaged for it in the NIP. By 2010 it would rival manufacturing as the second largest sector of the economy after distributive trades. It would reinforce its position as provider of foreign exchange generating much higher export earnings than merchandise exports. And, it would become a major employer, helping to mitigate unemployment.

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