

**SPEECH TO THE
JAMAICA CHAMBER OF COMMERCE/
CARIBBEAN ASSOCIATION OF INDUSTRY AND COMMERCE
MEETING
OCTOBER, 9, 2008**

TOURISM INVESTMENT

President of the Caribbean Association of Industry & Commerce
Mr.

President of the Jamaica Chamber of Commerce
Mr.

Officers and Directors of Both August Bodies

Fellow Panelists, Dr. Audia Barnett and Mrs. Paulette Kolbush

Ladies and Gentlemen All

Good Morning,

Thank you first all for your invitation to address you on this important topic of Climate Change, but more importantly from the perspective of the Tourism Industry.

As you all are here because of an interest in business viability you will forgive if I make the point that given the happenings of recent months, but particularly recent weeks and days, Climate Change may easily be confused with the distortions taking place in the capital markets of the world, presenting each of us with immediate contemplations of how to ‘weather’ what is proving to be the perfect economic ‘storm’ (all puns intended).

Interestingly, it is very much a related subject to the changing climactic conditions of weather as both phenomena requires an adjustment in our way of operations, better described as “Improved Management Systems”. I however, will not stray from the theme.

I had been asked by your distinguished Past President, Mr. Moss-Solomon to set the stage of the earliest years of a recognizable and viable tourism industry and that will take us back to the 19th Century. But given the constraint of time, allow me to leap frog to the 1960’s.

Jamaica, like many of its neighbours, was the respite for the Colonial aristocrat, who either had ancestral lineage or acquaintances who relished the opportunity to get away to the warmth of our climate and bask on our beaches. The hotel possibilities although limited at the time, were however, equal to the discerning visitors of the day. Strong names like the Round Hill, Half Moon, Bay Roc, Hotel Montego, Doctor’s Cave, and Sundowner (some of whom, the brands have stood the test of time or have become a part of other more recognizable facilities).

You will appreciate that this was a privileged past time and while a major economic driver, it was not truly quantified and

remained secondary to Agriculture, in particular Sugar and Bananas.

Jamaica's exploration into a well documented period of 'heady' ideology in the 1970's caused a severe setback in the productive sectors of the economy and tourism was similarly affected. Social instability and the cold war rhetoric was the perfect recipe to scare away the visitor who could easily spend their money in places that seemed more welcoming to what they had to offer. The industry however, did not collapse as this was probably Jamaica's first lesson in Tourism's resilience to seemingly devastating shocks – but more on that later. Small boutique hotels, Guest Houses and the beginnings of the now popular All Inclusive prevailed.

The 1970's will be remembered for the largest flight of capital from Jamaica, both in Human terms, but probably more so Economic terms with a sustained departure of International Hotel Brands such as Hyatt, Intercontinental, Sheraton and others from our shores.

Fast forward to the eighties – a regime change and a new impetus to invest in the country. Challenges persisted, but there was renewed investor confidence in the island. Slowly and cautiously an expansion in our Room Count was underway, with

the strong showing of a Jamaican Investor presence in the tourism market, particularly by Superclubs Resorts (through the brands of Couples, Hedonism, and Jamaica Jamaica). This was accelerated in the late eighties and into the nineties with the emergence of the Sandals Resorts and the return of some respected international brand names. Tourism had now moved ahead as Jamaica's number one foreign exchange earner.

In the almost 30 years of that experience, excepting for a few close scrapes with a 'fleeting' hurricane or two, we had little or no evidence then, that Weather Patterns were fixing to change how we do business. In September 1988, we were just very unfortunate to have been unfairly targeted by what was then one of the world's worst hurricanes – Hurricane Gilbert, which devastated the island. But we would recover, and given the odds it would likely be thirty years again before we see another setback of this kind. Well, the rest is history as since then we really have never been the same, as we, island by island, country by country count our blessings when we are missed, and pray for our unfortunate neighbour when they are hit. Our Climatic outlook had to change. That would firstly, manifest itself in SOP's that spoke to Preparation, Evacuation and Recovery related to Hurricanes. Credibility was now given to the scientific theories that were not new, which predicted the effects

of Climate instability, the worst of which for our region would be Stronger and more frequent hurricanes.

With a credible voice and hard data, scientific research began influencing industry and governance policy decisions to include coastal development and sustainability considerations that should protect both life and property. Environmental Management Systems such as the Green Globe standard, which was developed specifically for the hospitality sector as a response to a Heads of Government Agreement in Brazil in 1992, commonly referred to as Agenda 21, was first launched in Jamaica and has now permeated much of the Caribbean.

Interestingly, the acceptance of the Green Globe standard for the right reasons of environmental stewardship, were not particularly popular to most hotels, but the tipping point of acceptance came when the deliverables of the standards proved to make good management and economic sense. For instance the important markets of Europe, who can be credited with driving the world's environmental pulse, were linking their contracting of travel contracts with a tangible proof of protecting the environment, not just for ourselves, but ultimately for them as well. Additionally, elements of the environmental programmes just made good sense. People at home did not wake up each day and throw their sheets in the wash, it had an

acceptable life well beyond one day, which was the hotel standard. So partnering with the guest to change their sheets and towels on an average of every three days meant that we cut our laundering by 2/3. In a hotel of 200 rooms, operating at 80% (which is likely for Jamaica) this means that instead of a monthly wash of 10,000 sheets we now do 3,000. The savings on Water, Detergent and contamination of wastewater treatment facilities were staggeringly positive. But selfishly, the cost of buying the detergent, paying the light, water and payroll bills were also cut exponentially. So much else can be responsibly introduced: stationery recycling, purchasing products only in recyclable containers etc. New markets had begun to emerge with an appetite for partnering with businesses who respect the 4R's of Reduce, Reuse, Recycle and Rethink. – Even the USA, the greatest consumer of the world's natural resources on a per capita basis has joined the fray and an ever enlarging group of travellers will only engage you if you do your part for the environment. Special note must however, be made of the “new rich” – a young, educated, socially responsible traveller, who wears their social conscience like a badge of honour. They are your greatest critic for promises not delivered regarding Environmental respect in a business and will actively discredit your organization mainly via the “keyboards of the web”.

In closing, Jamaica now stands at almost 30,000 rooms, employment both directly and indirectly approximately 150,000 people and growing, with an ever greater attention being paid to us by big investors seeking to build even bigger physical plants. As a country we earned just under US\$2B last year for our efforts in tourism and although the sector now runs second to Remittances for the most US Dollars into our economy, it is still the most viable option for Jamaica's economic development, but we are also potentially the greatest users of the countries natural resources (Water, Electricity, Food and Labour) with some obvious implications. We have made a beginning through an acceptance of the facts and some responsible stewardship of the environment, but fair and viable monitoring of the needed expansion in the industry to achieve that balance between GDP Growth and Natural Resources lost is a measurement that must be never be underestimated moving forward.

I Thank you.