

**'A NEW FOCUS'**  
For  
**CAYMAN ISLANDS TOURISM**

**A REVISED  
NATIONAL TOURISM  
MANAGEMENT PLAN  
2009 - 2013**

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# **1. REVIEWING THE TOURISM SCENE**

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## **1.1 Introduction**

This National Tourism Management Plan (NTMP) sets the parameters for tourism development within the Cayman Islands for the next five years (2009-2013).

In preparing this report, we have consulted extensively with the general public, Government officials, private sector stakeholders and other interested parties and we acknowledge with thanks the assistance that has been given to us in helping to formulate the report.

This is a plan for all those with an interest in the future of tourism in the Cayman Islands. This includes:

- The private sector, responsible for meeting the day to day needs of visitors;
- Government Departments, responsible for planning, marketing, regulation and infrastructure development;
- Politicians, who have to make the difficult decisions and allocate resources; and
- The local community that is concerned about tourism related opportunities and constraints upon their way of life.

Future success lies in all these parties co-operating and pursuing the objectives and initiatives set out in the following pages.

## **1.2 The new NTMP**

This Management Plan is not a new document; it is a revision of the previous NTMP prepared in 2002/3. Most of the strengths and weaknesses and related policies remain the same, albeit with some significant changes. Those parts of the earlier Plan that remain unchanged have been retained. Large passages will therefore be familiar to those involved in tourism in the Cayman Islands over the last five years. This will help continuity and, hopefully, reinforce the importance of these issues and agreed policies for dealing with them.

## **1.3 Significant changes over the last five years**

Recent history has shown how external factors such as the global economy, terrorism and natural disasters can impact on the nation's tourism industry. Over the last five years, tourism has been affected by changes in the US economy, oil price hikes, global terrorism threats, the war in Iraq, concerns for avian flu and - most directly - Hurricane Ivan and the heightened awareness of hurricanes in the US following Katrina. Another major factor has been the increasing concern about the global environment including the growth in air travel.

At a local level, recovery post-Ivan still dominates the industry. Despite the phenomenal effort to clean up, repair and redevelop, the accommodation stock has been reduced and the number and length of stayover visits are still below pre-Ivan figures. Meanwhile, there is new Ministerial commitment to a twin-pronged tourism policy involving cruise and stayover tourism.

There have also been significant new investments over the last five years, most notably in the Ritz-Carlton, the Turtle Farm, the port terminal and in retail and restaurant facilities. There are major proposals for the East End, the airport and further work at the port in the light of challenges presented in the cruise market.

Other strategic changes at a local level include a new commitment to tourism product/human resource development, the new Immigration Law and pending changes to environmental law and the Development Plan.

In terms of the NTMP, the most contentious issues from the last plan included the policies relating to cruise passenger arrivals, environmental protection, development planning and human resources. They remain as 'challenging' issues.

The other, more general, problem area has been implementation. There has been progress on many Action Points in the previous NTMP but not as much as many people would wish. The process and related resources for implementation of the old Plan were not clear, 'bottlenecks' soon appeared and volunteer committee members became frustrated and burdened with their own post-Ivan recovery. A new implementation process is required.

These old – and other new emerging - issues now require fresh commitments by the relevant stakeholders to the necessary action.

## **1.4 Why tourism matters**

### **1.4.1 Tourism is important for the economy**

Tourism and financial services underpin the Cayman Islands' economy. Over the last seven years, tourists have spent on average US\$524 million (stayover and cruise) in the Cayman Islands, nearly US\$17,000 for every resident<sup>1</sup>. This is a major contribution to the economy, supporting a wide range of businesses and generating employment opportunities for Caymanians and expatriates.

The World Travel and Tourism Council (WTTC) estimates that The Cayman Islands' travel and tourism industry will contribute 12.9% to Gross Domestic Product (GDP) in 2007 (CI\$232m or US\$279m). The tourism economy contribution is estimated at 42.1% (CI\$757m or US\$909m)<sup>2</sup>. In the late 1990s, these proportions were significantly higher and projections are for slow but steady increases over the next decade.

In 2002, total tourism-specific revenue to the government was estimated at CI\$20.1 million, or 6.5% of the government's recurrent revenue<sup>3</sup>. Additional tourism related revenue sources include the Cayman Islands Port Authority and the Civil Aviation Authority resulting in total estimated revenues of \$30.7 million to government and public sector bodies. The tourism sector also provides indirect revenues to the government through liquor licenses, duties on alcohol and tobacco etc.

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<sup>1</sup> Details in Chapter 3.

<sup>2</sup> World Travel and Tourism Council, 2007.

<sup>3</sup> A Study to Assess the Economic Impact of Tourism on the Cayman Islands, Deloitte & Touche for CITA, April 2003.

WTTC also estimates that around 6,000 jobs are supported by the industry in 2007 (18% of total employment) and 18,000 jobs are supported by the tourism economy (51% of employment)<sup>4</sup>.

The Cayman Islands need to pursue tourism because, first, this is where it's natural comparative advantage lies and, second, there are few alternative sectors for the country. Tourism supports the development of vital infrastructure, which is good for all business and helps support other economic activities. Given the need for a diversified economy, it is important that tourism is developed and managed in such a way as to ensure long-term prosperity and success.

#### 1.4.2 Tourism affects everyone

Tourism not only creates direct income and jobs but also helps support a range of local services, sustaining the quality of life which Caymanians and other residents enjoy e.g.:

- The network of transport links from, to and within the Cayman Islands;
- The wide range of shops and services, restaurants and bars;
- The excellent utility services; and
- Local heritage facilities like the Botanic Garden and National Museum.

Tourism also has negative impacts. It has affected the natural environment and has changed the general character of parts of Grand Cayman. The growth in visitors contributes to further development pressures and congestion on the roads and at key sites. Labour requirements in the tourism industry exacerbate the perceived problems of an imbalance of non-Caymanians in the resident population and the labour force.

It is because of these different factors that we need to manage tourism, to maximise the benefits and reduce the negative impacts.

### **1.5 Why we need the NTMP**

The tourism industry is made up of many businesses, many of them small. Working alone, these enterprises cannot manage and sustain tourism on the Islands. To do this they need to co-ordinate activity and work to common goals.

The Government also has an important role, providing essential infrastructure, controlling development, allocating funds as well as setting the fiscal, policy and regulatory framework within which the industry has to operate. The local community also has expectations from the industry, notably to do with job opportunities and the impact tourism may have on daily life.

Tourism can't just be left to develop unchecked; it has to be managed in a sustainable way. The NTMP is needed to ensure that everyone involved in tourism is aware of the overall goals and parameters and is pulling in the same direction.

### **1.6 The structure of the document**

In the following pages we look first at the current state of tourism and the challenges it faces in the future (chapters 2 to 5). We then go on to outline a way forward (chapter 6) and the action that is required over the next five years (chapters 7 and 8).

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<sup>4</sup> The Cayman Islands Labour Force Survey (Spring 2006) estimates there were 3,779 jobs within restaurants and bars, hotels and condominiums (10.8% of total). In the Deloitte study for CITA, employment in tourism related sectors was estimated at 7,482 or 27% of the total labour force. In the BREA study for FCCA, it was estimated the cruise sector generated 2,090 direct jobs.

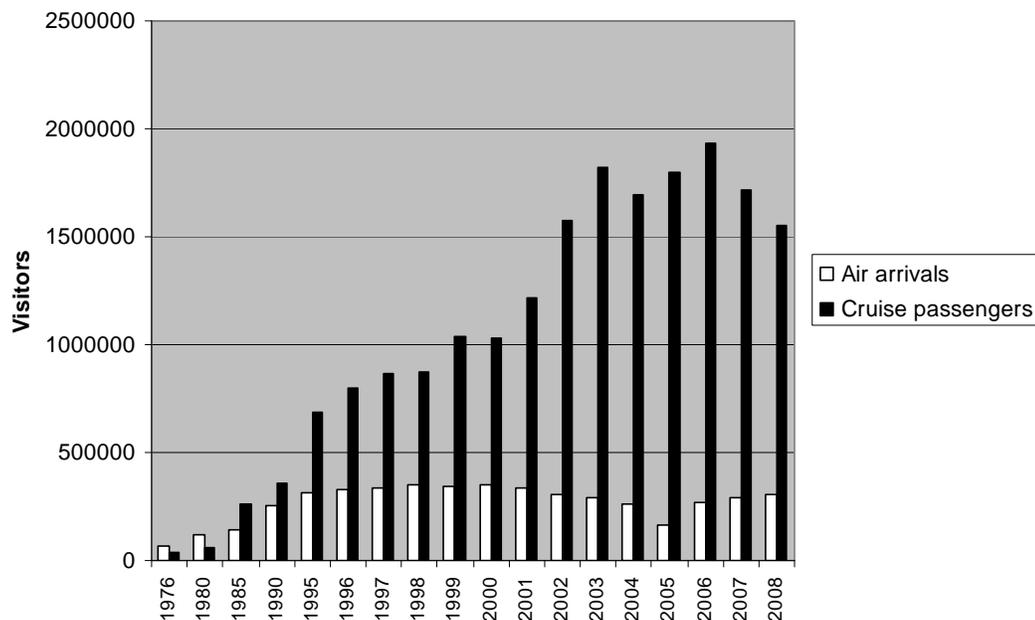
## 2. VISITORS TO THE CAYMAN ISLANDS

### 2.1 Size and value of the Cayman Islands' tourism market

For the last 30 years, the Cayman Islands have welcomed an ever-increasing number of visitors year-on-year, reaching a peak of 2.2 million in 2006. This was made up of 267,257 stayover visitors and 1,930,136 million cruise ship visitors.

The number of stayover visitors grew steadily through the early 1990s but since the Millennium there has been a clear decline. In 2000, there was a peak of 354,000 air arrivals, which dropped 5.6% to 334,000 in 2001 with a more pronounced drop in 2002. The downward slide continued, highlighted of course by the impact of Hurricane Ivan in late 2004 and through 2005. Since 2006, air arrival figures have consistently risen and in 2008, these arrivals finally achieved pre-Ivan rates exceeding 300,000. Notwithstanding full recovery of air arrivals which have occurred since Hurricane Ivan, long term, stay over visitors have fallen between the peak of 2000 and 2008. In 2006, around 8-9% of all stayover visitors visited the Sister Islands. Cruise ship visitors grew rapidly to reach just over 1 million in 1999/2000. By 2006, this number had increased by 87% to reach 1.93 million. These numbers have levelled off in 2007 and 2008 at 1.7 million and 1.5 million respectively.

**Figure 2.1: Visitor arrivals to the Cayman Islands by air and cruise ship**



**Table 2.1: Visitor arrivals to the Cayman Islands by air and cruise ship**

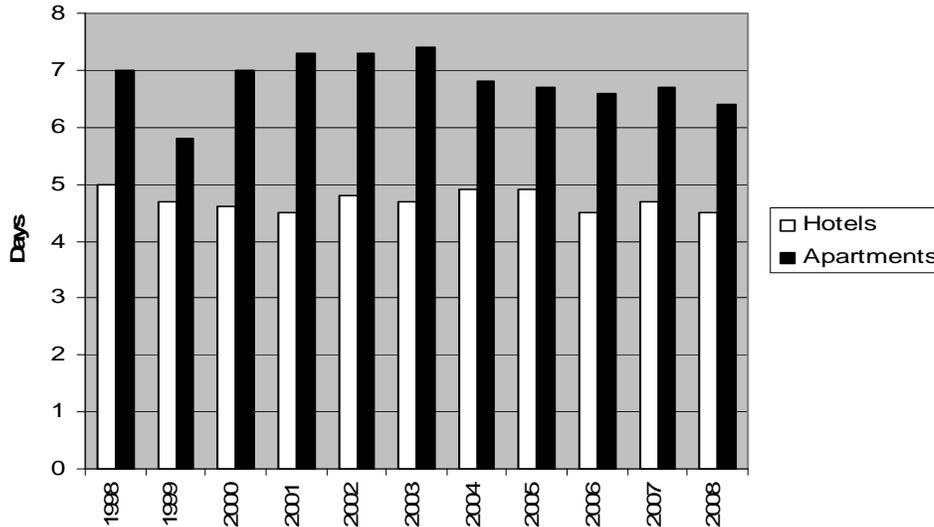
Year	76	80	85	90	95	2000	2001	2002	2003	2004	2005	2006	2007	2008
Air arrivals (000s)	65	120	145	253	316	354	334	303	294	260	168	267	292	303
							-6%	-10%	-3%	-12%	-35%	+59%	+9%	+4%
Cruise arrivals (000s)	40	61	259	361	683	1031	1215	1575	1819	1693	1799	1930	1716	1553
							+18%	+30%	+15%	-7%	+6%	+7%	-11%	-9%

Source: Cayman Islands Department of Tourism (CIDOT) [www.caymanislands.ky/statistics](http://www.caymanislands.ky/statistics)

Note: Figures for 1994 - 1999 are estimates, owing to data errors.

The average length of stay of visitors over the last decade has averaged 4.7 days in hotels, fluctuating between 4.5 and 5 days, while in apartments the average over the same period has been 6.8 days, varying between 5.8 and 7.4 days. There has been a decline in length of stay over recent years, more noticeably in apartments.

**Figure 2.2: Length of stay in the Cayman Islands**

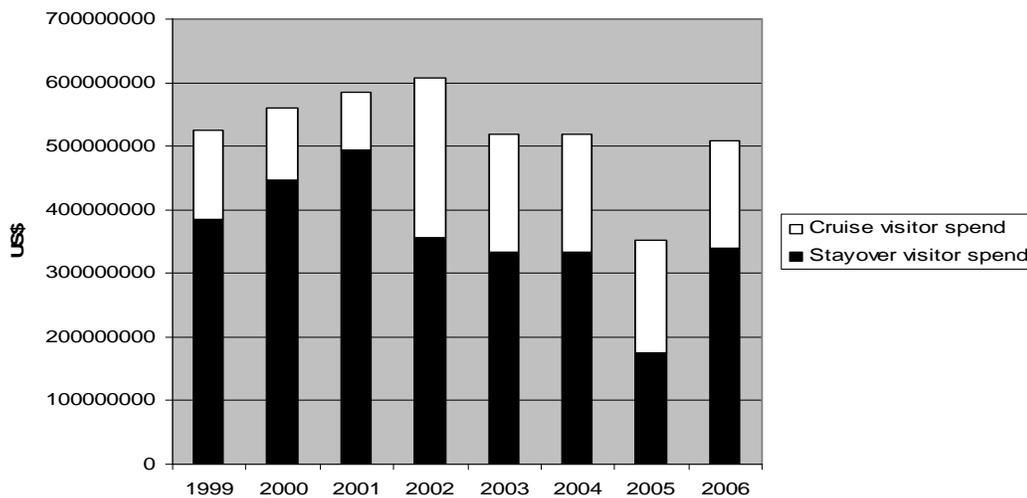


Source: CIDOT

Note: Figures in 2004 post-Ivan include relief workers, re-housed residents etc.

Unfortunately, visitor expenditure data are not comprehensive and overall values are difficult to compare due to a change in methodology in 2003 and different sample sizes. However, it is clear that, with the exception of 2005 when stayover visitors declined post-Ivan, they make a greater contribution than cruise passengers (Fig 2.3). In 2006, stayover expenditure had recovered to pre-Ivan levels. Cruise expenditure has declined from 2005 owing to an apparent lower spend per head.

**Figure 2.3: Visitor expenditure in the Cayman Islands**



Source: CIDOT

Table 2.2 shows how that expenditure was distributed in 2006. Stayover visitors spend over 10 times as much per head as cruise visitors. This figure has increased by 37% over 2005.

**Table 2.2: 2006 Visitor expenditure in the Cayman Islands (US\$)**

Expenditure/capita	Cruise	Stayover	Combined Impact
<b>Per Capita Total Spending</b>	\$96.94 <sup>1,2</sup>	\$1,121.07	
<b>Number of Visitors</b>	1,930,136 <sup>3</sup>	267,257	
<b>Total Spending</b>	\$168,401,240 <sup>4</sup>	\$340,366,678	\$508,767,918

Source: CIDOT

Note 1: Excludes port charges, taxes and crew expenditure.

Note 2: Cruise passenger data is raw and is unadjusted for remittances back to the ship

Note 3: Assumes 90% of this total disembarks

Note 4: BREAs estimated crew and port direct expenditure to be US\$42m for year 2005-6<sup>5</sup>.

In 2003, the study commissioned by CITA<sup>6</sup> revealed that, on average, stay-over visitors contributed 86% of total visitor expenditure while 14% was derived from cruise visitors. In respect of GDP, the contribution of stay-over visitors was US\$959.2m (54%) in 2001 while cruise visitors contributed US\$156.1m (9%). This estimate includes both direct and indirect effects of visitor expenditure<sup>7</sup>.

Clearly, there is considerable concern at the decline in stayover visitor numbers and its impact on the national economy. There is also concern that the number of visitors to the Sister Islands remains stubbornly low, an issue which will be more pronounced in 2009, following Hurricane Paloma's devastating impact on Cayman Brac.

External factors have undoubtedly played a part in the recent decline in stayover visits; the slowdown in the US economy and security concerns since 9/11 have affected many destinations but Cayman has fared worse than the rest of the region since 2000<sup>8</sup>. Much of the recent decline can clearly be attributed to Hurricane Ivan but it is unclear whether visits will return to pre-2004 levels or not.

The rapid growth in cruise ship arrivals started in the early 1990s but grew exponentially after 9/11 with the redeployment in 2002 of cruise ships to 'safer' Caribbean waters supported by deliberate Government policy to attract the business as stayover visitors declined. This policy still prevails; and Cayman was the second most visited country by cruise passengers in the Caribbean. Only the Bahamas received more visitors in 2006<sup>9</sup>. The only other countries to attract more than 1 million visitors were USVI (1.9m), Jamaica (1.3m), Puerto Rico (1.2m) and St Maarten (1m).

**KEY ISSUE:** *The total number of visitors to the Cayman Islands has grown substantially. In recent years, this growth has been solely in cruise ship passengers while the number of higher spending stayover visitors has declined, exacerbated by Hurricane Ivan. This has had economic and visitor management implications.*

<sup>5</sup> Economic impact of cruise tourism on the Caribbean economy, BREAs for FCCA, 2006.

<sup>6</sup> Deloitte & Touche, op cit.

<sup>7</sup> Caution should be taken in attributing the estimated impact of the tourism sector as a percentage of GDP due to the margin of error of the GDP estimate.

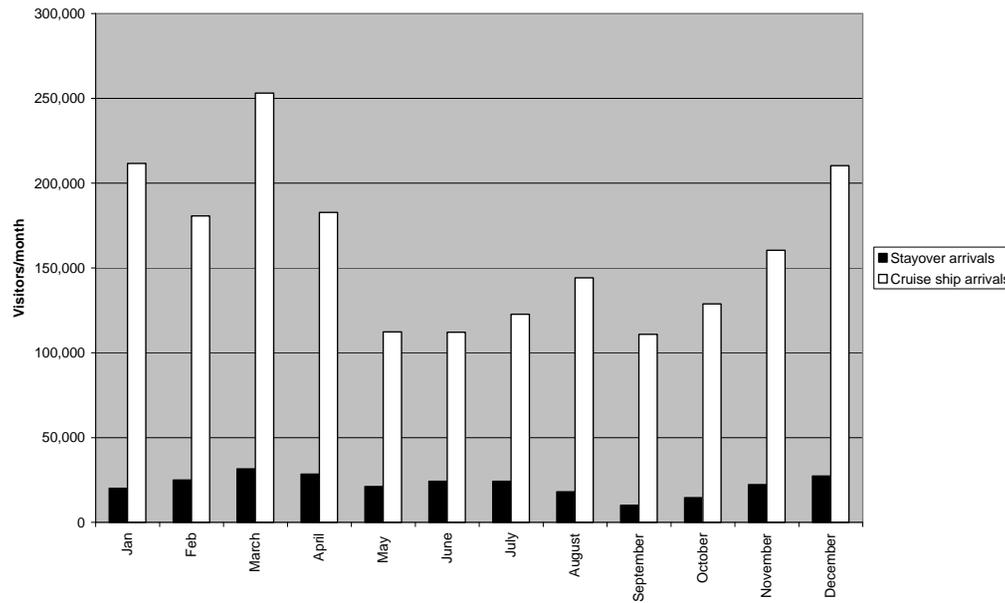
<sup>8</sup> Caribbean Tourism Organisation (CTO) figures for 2000-2006.

<sup>9</sup> CTO figures (excluding Cozumel).

## 2.2 The profile of visitors to the Cayman Islands

Stayover and cruise ship passengers arrive throughout the year but cruise is more heavily weighted to the winter with a peak in March and a lower summer peak in August. Stayovers are spread more evenly with December and March peaks.

**Fig 2.4: Seasonality of visitors to the Cayman Islands (2006)**



Source: CIDOT

### 2.2.1 National market segments

The stayover market for the Cayman Islands can be characterised as affluent (42% with HHI above \$100,000, 55% professional/managerial) and well educated (81% graduate or above). Visitors tend to be couples (45%) aged 35 or over (average 51 years), staying for around 5 days with nearly two thirds staying in hotels, around one fifth in condos (just under 7 days) and the balance with friends and relatives. They also visit regularly (43% are repeat visitors).

Cayman attracts more families than most Caribbean destinations. The large majority (70-80%) will indulge in the beach, snorkelling<sup>10</sup>, shopping and local restaurants. There is emerging evidence that motivations for visiting the Cayman Islands for stay over visitors were less for relaxing and more because there are things to do and it is a good place for families/children<sup>11</sup>. Around a third of visitors get involved in nature and local heritage. Around half of stayover visitors go to Stingray City.

A large majority, 84% of stayover visitors, are very satisfied with their visit and around two thirds rate the country better than other Caribbean destinations. The main dislikes are high prices, congestion and overdevelopment. They rate the water sports, restaurants, accommodations and customer service good or very good i.e. 70% plus rating. Transportation and tours fair not quite as well and value for money only achieves around a 45% rating as good or very good.

<sup>10</sup> 30% went scuba diving in 2006.

<sup>11</sup> Ipsos-Insight research, 2007.

The cruise market is more downmarket than stayover although 18% had a household income of \$100,000+, 69% are graduates and 42% are professional/managerial<sup>12</sup>. Cruise visitors are more likely to be families (53%) with a similar age range to stayover visitors. Motivations are the generic beaches/weather/relaxation but for more than 4 in 10 cruise travelers, the stop in the Cayman Islands as part of a one week circuit around the western Caribbean was important in their decision to cruise. Three quarters will go shopping while around half will snorkel/swim. Just less than half will go to the beach, a restaurant or take in a (pre-booked) tour. Around a quarter will get involved in local heritage. Around 40% will go to Stingray City and 15% go to Hell. A large number also visit Boatswain's Beach.

As with stayover visitors, over 80% were very satisfied with their visit and two thirds thought it better than other Caribbean destinations. However, the main dislikes were high prices and congestion. Cruise visitors rated the water sports and customer service very good along with the tours. Transportation fares less well but only 17% rated value for money as very good.

The vast majority of cruise and stayover visitors come from the USA (c80%) with 6% from Canada and Europe respectively<sup>13</sup> and 7% from elsewhere. Most American visitors originate in the North East (26% of all visitors), followed by the South East and Midwest.

Most Canadian and European stayover visitors spend longer than Americans, reflecting holiday entitlement, but the length of stay has come down over the years. The average visitor will be 30-50, travelling as a pair and relatively affluent from the higher socio-economic groups. They are less likely to dive than Americans; they are more into on-island attractions. Anecdotally, there is a high proportion of tourists visiting friends and relatives (VFR) which probably explains the relatively lower spend per head.

### 2.2.2 The dive market

Cayman has traditionally attracted relatively high volumes of divers but has been particularly popular with affluent divers<sup>14</sup>. In the 1990s, J-m Cousteau estimated there to be 240,000 divers visiting the reefs doing, on average, about 10 dives i.e. 2.4 million dives pa<sup>15</sup>. Previous surveys (1993) also suggested that divers stay longer on island than other visitors and therefore spend slightly more than average. Whilst remaining an important driver, a declining proportion of stayover visitors goes diving. Around one third of respondents had gone diving in 2006 compared to 42% in 2004.

### 2.2.3 The business, conference and incentive market

Although 7-8% of visitors are officially recorded as business visitors, this figure may be higher when incentive holidays are taken into account. These visitors spend more per night on average than holiday visitors but stay for shorter periods. Incentive travellers i.e. those on company sponsored 'reward holidays', stay on average four days. Many will bring partners who will act as regular tourists and many will stay on for leisure purposes after their business is complete.

Incentive groups are the most important segment of this market. For the major hotels, this can represent up to 40-50% of year round business. Grand Cayman is seen as

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<sup>12</sup> The BREA report (op cit) identified 38% of passengers having a HHI of US\$100,000+

<sup>13</sup> CIDOT 2006.

<sup>14</sup> Diving in the Cayman Islands, Madigan Pratt & Associates, Jan 1995.

<sup>15</sup> This assumes a very high proportion of stayover visitors and/or cruise passengers dive.

accessible from most parts of the US, prestigious and able to offer security and service, the pre-requisites for the incentive business.

Traditional conferences are less important. There is some association business from the US and the Caribbean in the major venues; those hotels with smaller meeting rooms attract some local business.

#### 2.2.4 The weddings/vow renewals and honeymoon market

In 2004, there were 658 non-resident weddings in Cayman, 568 in 2005 and 775 in 2006 (40% stayover). They involve affluent couples staying for at least six nights. A wedding party averages 26 people in Cayman and they tend to stay in the larger resorts. Weddings account for nearly 30% of business at the Ritz-Carlton. There is no data on honeymoons although regional ratios suggest this may equate to 10,000 honeymoons or 20,000 persons.

**KEY ISSUE:** *The overwhelming majority of visitors are leisure visitors from the USA. The stayover visitors tend to be affluent, regular visitors on relatively short holidays with a particular interest in relaxation and water sports. However, families and niche markets are becoming more important and the visitor is less inclined to dive and look for other things to do. The cruise visitor is also increasingly affluent. They continue to use the traditional attractions in close proximity to the port but niche markets are emerging here also, notably weddings.*

### **2.3 Visitor perceptions of the Cayman Islands**

In the late 1990s, consumer and travel agent research in the US suggested that Cayman enjoyed a positive image especially with regard to safety and the friendliness of people but the product was deteriorating. The overall high ratings for the Cayman Islands were driven by water sports but even those who said they would return and said their experiences were good, continually rated Cayman low in giving good value versus other destinations.

The research for the re-branding exercise in 2001/2 reinforced the view that the Cayman Islands' strengths are not as strong as they were and the weaknesses were weaker. New image associations were with expensive living, over-development and traffic/people congestion, exacerbated by the cruise ship issue. The Cayman Islands' image was being diluted by perceived poor service, narrow product offerings and a product that is more American than Caymanian.

More recent research suggests that Cayman benefits from a very high level of awareness among Caribbean travelers (94%). 14% of Caribbean travelers mention Cayman spontaneously among other warm weather destinations, the same level as Barbados. Cayman is still seen as a great scuba/water sports destination, safe and sophisticated, with a lot of nature-based activities including Stingray City but it is still not seen as good value for money or easy to get to, having good restaurants or night life, nor having beautiful resorts/villas<sup>16</sup>.

For many, however, Cayman is “not even on the radar”. In research, 47% of non visitors said they had never even thought of it and 40% said they would rather go to another

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<sup>16</sup> Ipsos-Insight Research, 2007.

Caribbean destination. Smaller proportions said it was too expensive (17%), difficult to get there, little to do, inappropriate for children, boring or too far away.

For those that have visited, visitors to the Cayman Islands were extremely satisfied overall with their trip.

- Most of their expectations were met, even exceeded;
- Activities were widely appreciated, especially swimming with the stingrays, scuba diving and water sports; and
- Most Cayman visitors were satisfied with their accommodations.

However the perception of good value for money is still not favorable, especially when compared to other destinations.

The image held by those who have not visited the Cayman Islands is mixed. It is perceived as a prestigious, exclusive Caribbean island and, for divers, one of the best dive destinations in the world but also as a destination with questions over value for money and the range of things to do.

**KEY ISSUE:** *For those who have not visited, the image is mixed. For those who have visited, it generally achieves high ratings for the experience offered but is not necessarily seen as good value for money and there is a concern about a deteriorating product.*

## 2.4 Marketing the Cayman Islands

Many people are involved in marketing the Cayman Islands. Hotels and other accommodation providers, tour operators and activity operators, airlines, travel journalists, Cayman Islands Tourism Association (CITA), the Cayman Islands Department of Tourism (CIDOT) and even local residents are all involved to some extent or other in communicating messages about the Cayman Islands.

In 2005/6, CIDOT had a marketing budget of US\$12m for marketing activity in 3 different source markets i.e. USA, Canada and UK/Europe. CIDOT employs a broad range of marketing communications tools to achieve its goals including advertising, public relations, e-Marketing, direct marketing, relationship management and promotions e.g. Cayman Summer Splash and Cayman Free Fallin'. Media research on the demographics and media consumption and habits of CIDOT's target segments suggests that the most effective communications will come through advertising and marketing via the internet, television and print. PR remains a critical element of the marketing mix. Typically, new markets have been developed through CIDOT regional offices generating consumer interest through PR activity and then encouraging tour operators and transport carriers to run the necessary flights. The emphasis is now shifting to on-line promotion and CIDOT continues to develop its own integrated web site.

The mission of the current marketing plan was developed by the collective team of CIDOT, its agency partners and representatives of CITA:

*"As marketers for the three Cayman Islands, we pledge to increase air arrival visitation and the economic benefits of tourism for the people who live and work here. We seek to be the sun, sea and sand destination of choice for the affluent, educated, adventurous US traveller who values togetherness by representing the best in an authentic, environmentally-responsible, sophisticated and safe vacation destination."*

The following were identified as the key marketing objectives for 2007-2008:

1. Achieve 300,000 air arrivals in 2007, plus 6% year over year. Achieve 318,000 air arrivals in 2008;
2. Double the number of arrivals who visit the Eastern District by year end 2007 as measured by key indicators/sample surveys;
3. Develop a fully integrated and evolving internet strategy that will increase traffic and onsite booking; and
4. By December 31, 2008, have 50% or more (vs. 30% today) of air arrivals assess value for money of a Cayman vacation as “good” or higher on the visitor exit survey report.

Based on recent research, the target audience has been broken down into three main segments:

- Core: Families (adults travelling as, or with, couples, children or other relatives) seeking ‘together time’<sup>17</sup>;
- Extender: Divers of all experience levels seeking a more comprehensive experience;
- Extender: Romantics seeking an island wedding or honeymoon; and
- Filler: Interest-based transients.

All consumer target segments share the same demographic profile: 30-64 years, educated, affluent (HHI of \$100K+). Psychographically, they are active, experiential and are predisposed to Caribbean travel by virtue of the fact that they are “sun, sea, sand and spa” seekers<sup>18</sup>.

Despite relatively small visitor numbers, Canada and Europe are seen by CIDOT and the Ministry as important markets, offering scope for diversification from the US market.

These marketing activities are supplemented by those of the airlines, cruise ship operators, local accommodation and operators. The larger operators have their own marketing strategies and rely on CIDOT purely for bolstering image awareness. Most of the smaller operators rely increasingly on internet marketing and working through CIDOT supported campaigns.

There is no pro-active marketing to cruise ship operators. Moorings are booked, on request, by the Port Authority on the basis of capacity rather than any strategic marketing initiative.

**KEY ISSUE:** *CIDOT has a significant marketing budget and targeted plan for stayover visitors. It does not, however, manage the cruise marketing.*

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<sup>17</sup> Research identified that no Caribbean destination ‘owns’ affluent family travel and that Cayman scores high on those brand attributes important to families (safety, proximity etc).

<sup>18</sup> CIDOT will also market and sell to the travel trade, consisting of travel agents and group organisers, particularly Cayman Islands specialist agents, and wholesalers.

### 3. THE DESTINATION

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Having looked at the market, we now turn to look more closely at the Cayman Islands product offer. This chapter considers the 'environmental' product based on the natural resources of the islands. The following chapter looks at the tourism product and services that have been developed to capitalise upon the natural resources.

The environment - its scope, quality, variety and accessibility - is fundamental to the quality of the visitor experience in any destination. An environmental quality that is a draw in its own right – such as the marine environment around the Cayman Islands - is clearly an advantage but it is equally, if not more, important to maintain an attractive, well-managed environment as the backdrop to all other activities.

#### 3.1 The marine environment and related activities

Cayman possesses one of the world's most beautiful reef systems, easily accessible to divers (including shore dives) and snorkellers with clear, warm water, dependable weather and a relatively healthy marine environment. There are high quality wall dives and numerous wrecks; the ideal combination for divers. This natural resource is supported by good dive operators<sup>19</sup>. The Cayman Islands are invariably ranked amongst the top dive destinations in the world, competing with Cozumel, the Bahamas, Florida Keys, Hawaii, Bonaire, the US Virgin Islands and further afield.

There is, however, global concern for coral reef systems and the Cayman Islands are no exception. Although Cayman has a relatively healthy marine environment, the international concerns are pertinent to the Cayman Islands<sup>20</sup> i.e.:

- Coastal development and pollution;
- Sedimentation;
- Bleaching;
- Diver impact (collecting, accidental damage, anchors);
- Anchorages e.g. cruise ships in Spott's Bay;
- Over-fishing; and, of course
- Climatic change, changes in sea level and ozone depletion.

There is much debate about the relative scale of the above impacts but little research on diver-induced impacts. There is certainly a school of thought that the impact of divers on the biology of reefs is limited in relation to coastal development, pollution and climatic change. However, a research paper in 2001<sup>21</sup> suggested that diving is having a significant impact in areas subject to high levels of use (6,000 dives pa +) affecting hard coral and species diversity. Another report<sup>22</sup> stated that the reefs are at capacity and a permit system is needed.

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<sup>19</sup> CI 2007 Travel Planner identifies 20 on Grand Cayman, 1 on Cayman Brac, 5 on Little Cayman.

<sup>20</sup> In places, the reefs have experienced a 50% decline in hard coral cover.

<sup>21</sup> Research by DoE: Impacts of recreational SCUBA diving on coral communities of the Caribbean island of Grand Cayman, J Tratolos and T J Austin, Biological Conservation, 2001

<sup>22</sup> Sustainable management of the Cayman Islands' natural resources, Jean-Michel Cousteau, undated.

The Cayman Islands have already instituted measures to reduce pollution, sedimentation, coral mining and curio collection. It has also instituted management controls in the form of Marine Park Regulations and Wildlife Interaction Zones Regulations (under the Marine Conservation Law) to manage activities as at Stingray City and the Sandbar. The Department of the Environment (DoE) is also now undertaking monitoring of the reef but, as yet, this has not been correlated with diver statistics and no carrying capacities have been imposed. In Little Cayman, access to Bloody Bay Wall is controlled by the number of people allowed per boat but this is not an effective means of control as it does not address the total number of vessels permitted, nor does it address the number of divers accessing the area from the shore<sup>23</sup>.

In tourism terms, over-use can lead to a deterioration in the quality of the experience. The Sandbar offers an extreme example of over-crowding on peak days. Based on the exit surveys, it would be reasonable to assume around 900,000 visitors to the site in 2006.

There are strong arguments for 'freshening the dive product' given the increasing competition. There are current proposals to sink an additional ship, to provide a new diving attraction known as 'Kittiwake' but there are environmental issues that need to be considered.

Casual swimming is very popular and Seven Mile Beach is the main resource. However, there is considerable concern about beach erosion, focused on areas where development has encroached below the natural vegetation line. The DoE prepared a report on behalf of the Beach Review Assessment Committee which was presented to the Legislative Assembly in 2003. The coastal construction setback recommendations contained in this report have been included in the Development Plan Review.

There are various other water sports on offer:

- Snorkelling;
- Deep sea fishing;
- Boat trips of various sorts including submarine rides;
- Sailing, wind-surfing, para-sailing and kite-boarding;
- Jet skiing; and
- Kayaking.

The water sports industry is characterised by an increasing number of smaller operators, servicing the stayover and, increasingly, the cruise markets. Many of these operators rely on the public ramps and docks for access to the water. These can be over-crowded and poorly provided with basic facilities, notably pump-out.

**KEY ISSUE:** *Maintaining defined high standards of quality for water sports, beach products and related services is imperative given the real and perceived high cost of a Cayman Islands' holiday. Good management with enabling legislation is needed to conserve the natural resources (reef, water and beaches) and maintain the quality of the experience for divers and other visitors.*

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<sup>23</sup> Most divers and dive operators are environmentally conscious not least because their long-term interests and livelihoods depend upon maintaining the quality of the diving. It was the dive industry that started the mooring system.

## 3.2 The terrestrial environment and related activities

### 3.2.1 The natural environment

The quality of the undeveloped environment above the water is a key asset for the Cayman Islands; a varied and attractive coastline with unspoilt areas of natural landscape and vegetation including woodland, mangrove wetlands and ponds on all three Islands. These features are perhaps most obvious in the Sister Islands including the dramatic 140ft bluff on Cayman Brac. The Central Mangrove Wetlands, the largest inland wetland in the Caribbean, is the "environmental jewel" of Grand Cayman. The three islands are rich in bird and other wildlife. These resources contribute to the Islands' special character and offer the opportunity to diversify the local product; the Ritz-Carlton has 12 naturalists on the staff offering various itineraries to the guests.

**Table 3.1: The major natural attractions of Cayman**

- **Birdwatching** (and butterflies). There are around 220 species of birdlife on the Islands with specific foci such as the Botanic gardens, the parrot sanctuary on Cayman Brac, the Booby Pond on Little Cayman and the new Governor Michael Gore Bird Sanctuary. Birdwatching is excellent because the sites are easily accessible and the birds are relatively tame and easy to photograph. Bird watching tours have started and there is a butterfly farm;
- **Nature trails and historic paths.** The Mastic Trail traverses one of the last tracts of primary evergreen woodland left on the island. There are new networks of way marked, interpreted trails (and bird-watching sites) on Cayman Brac and Little Cayman featuring information on heritage sites, ecology, plant and bird life;
- **The Botanic Gardens** offers the chance to see many of the indigenous plants and the blue iguana breeding programme in a very attractive, well presented attraction;
- **Rock climbing** on the Brac is world class with some moderate and difficult over-hanging limestone seacliffs<sup>24</sup>;
- **Caving** on the Brac;
- **Fishing** for tarpon, prime and bone fish (the 'Holy Trinity');
- **Kayaking** in the mangrove wetlands and **riding** on the beaches; and
- **Other natural features** e.g. Blow Holes, Rum Point, the Bluff, isolated beaches etc.

The National Trust and the DoE are very active in the conservation of the natural and historic environment. Current initiatives include proposals for:

- A new national park at Barkers;
- Protection of the central mangrove wetland and Salina and Mastic Reserves;
- Further development of the Botanic Garden; and
- Protection for the Bluff on Cayman Brac.

There is currently no Protected Areas strategy although the new Conservation Law was tabled in early 2007 which will facilitate the protection of key areas and set out the requirements for Environmental Impact Analyses (EIAs) for major development proposals. There has been great concern, for example, at the loss of mangrove and dredging in the North Sound. The DoE has prepared a network of Environmentally Sensitive Areas and the National Trust has acquired over 2,000 acres in order to protect key areas. The new Law also allows for the establishment of a new Conservation Fund to be used for the acquisition and management of protected areas and species. It is proposed to use this fund to initiate the Barker's National Park.

<sup>24</sup> 'Hidden Treasure: Limestone climbing in the Cayman Islands' in Rock and Ice No 69, 1995 and 'Back on Brac: New sport routes on Caribbean limestone' in Rock and Ice, No 82, 1997.

**KEY ISSUE:** *There is a range of excellent natural resources, particularly on the Sister Islands and in the Eastern Districts, which offer the opportunity to diversify the local tourism product but need to be protected.*

### 3.2.2 The built environment

As with the natural environment, the built environment can be an attraction in its own right and it provides a backdrop to the broader visitor experience. For some years, there have been concerns about the scale, distribution and quality of much new development in Cayman.

The main concern is the perceived over-development of the western end of Grand Cayman, which has led to an urban environment out-of-scale with the Island, without adequate open space and with related traffic and human congestion. Seven Mile Beach has few breaks in the monotonous 'wall' of tourism related development and limited public access to the beach. This issue has been exacerbated by the amendment to the building height law in this area i.e. 5 to 7 stories. Clearly, tourism development is not the only generator of growth but the perception is that it is a significant contributor in its own right. In fact, hotel and attraction development are minor land-uses and contribute relatively little to the problems of over-development although individual schemes can raise problems. The more expansive residential development, often left incomplete pending sales, contributes significantly to the perception of over-development. Unfortunately, although such development includes a small proportion of non-hotel visitor accommodation, this issue is outside the purview of tourism.

In addition, some large-scale developments are perceived to have been undertaken without adequate consideration of environmental impacts, hazard implications and tourism implications. Beach erosion on Seven Mile Beach is a constant threat.

Compounding the problems of over-development is the poor quality of much of the urban design - and visitor management. George Town, for example, should be a vibrant centre of activity and a magnet for visitors and residents but the waterfront has not been capitalised upon and, with a few notable exceptions, the quality of development is ordinary. There are few public spaces or pedestrian areas to help generate evening activity. There is poor hard and soft landscaping in key areas, intrusive electricity poles<sup>25</sup>, poor maintenance and lack of attention to detail. During the day, the centre is dominated by cruise ship visitors and associated traffic; many stayover visitors and residents avoid the centre.

Elsewhere in Grand Cayman, the style and quality of new development is undistinguished. Shopping malls with associated advertising compound the view that Grand Cayman is losing its individuality or failing to develop its own character. The premature release of large (marina-based) residential sites that lie vacant adds to the poor image. Ribbon development around the coast is a matter of concern.

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<sup>25</sup> CUC has provided underground power lines in some limited areas such as downtown George Town where density justifies the cost of installation. Some developers have also opted to contribute to the costs of underground facilities to improve the value of their property. The cost of installing the infrastructure for underground Island-wide service could be as high as eight to ten times the cost of the equivalent in overhead lines. CUC will therefore continue to employ underground systems in limited areas where it is practical or where there is a sharing of costs with property developers.

The National Trust has prepared an inventory of historic sites. It also promotes preservation through annual awards and owns and protects a number of sites around the country. The Government has also invested significant sums in Pedro St James and the National Museum. Despite these initiatives, much traditional domestic architecture and local character has been lost. There is no legal protection for historic buildings or sites of heritage interest.

**KEY ISSUE:** *There is considerable concern at the perceived over-development of the west end of Grand Cayman and the likelihood that this will become worse - and spread.*

**KEY ISSUE:** *There is a lack of quality and local distinctiveness in the built environment.*

**KEY ISSUE:** *There is no protection for historic properties.*

### 3.3 The Development Plan

The Cayman Islands Development Plan (1997) is a land-use zoning plan and as such is a relatively blunt instrument for managing the scale and nature of tourism development and managing environmental impacts. For tourism development, the Plan includes two basic zones:

- Hotel/tourism zones which enable up to seven storey tourism development on Seven Mile Beach and up to five stories elsewhere; and
- Beach resort/residential zones, which include condominiums and cottage colony development (up to 3 stories), spread across the country.

The Development Plan has been under review for many years<sup>26</sup>. In 2002, a major consultation exercise was concluded and some fundamental recommendations were made for environmental protection; to control the extent and density of new development and manage related impacts.

A new review procedure is now in place with a new Development Plan slated for approval by May 2008. A Draft Planning Statement was issued in October 2007 with Strategic Goals. The new goals, objectives and action points reflect the 2002 proposals but, encouragingly, seek to involve a more integrated approach to planning, highlighting the importance of wider environmental policies and inter-departmental collaboration with CIDOT. The tourism-related Draft goals include:

- Master planning at the District scale – including George Town and Eastern Districts - and a wider vision for planning on Grand Cayman;
- Recognising the central role of Seven Mile Beach;
- Supporting proposals that enhance the vitality and appearance of local shopping centres;
- Opportunities for mixed use and planned unit (community) developments;
- Creating opportunities for new hotel and tourist related activities throughout the island, possibly involving a new Neighbourhood Hotel/Tourism Zone for smaller developments outside Seven Mile Beach;
- Creating a Nature/Tourism designation within protected areas to further safeguard sensitive areas and create more public space;

<sup>26</sup> A Sustainable Development Committee has also looked at plans and regulations for the Sister Islands where there is no zoning or other land use management system.

- Requirements for an ‘environmental review for all major development projects’, tying in with the new Conservation Law;
- Defining clear setbacks for coastal development based on the line of natural vegetation;
- Protection for heritage zones and legal protection for historic buildings or sites of heritage interest;
- Integration of public utility planning policy including some conservation measures e.g. recycling and new septic tanks;
- Integration of public transport policies, encouraging the use of alternative means of transport;
- Directional signage;
- Development of cycle and pedestrian routes;
- Port development policies;
- Designation of a National Park at Barkers; and
- Site, building and landscape design standards based on Caymanian style.

**KEY ISSUE:** *The Development Plan is subject to review. The new draft goals suggest an integrated approach but it is critical that new policies are expedited to meet the pressing needs in areas subject to development pressures and to support other policy objectives (environmental protection etc). There is no Development Plan or Strategy for the Sister Islands.*

### 3.4 ‘Go East’

To date, urban development has been concentrated in the west of Grand Cayman<sup>27</sup>. Table 3.2 shows the distribution of tourism development. The eastern districts (and the Sister Islands) are still, relatively, under-developed and offer a more ‘rural’, lower key visitor experience.

**Table 3.2: Tourist accommodation in the Cayman Islands by District**

Location	Hotels	Condos/ Apartments	Guesthouses	Total bedrooms
Seven Mile Beach / West Bay	1958	1514	50	3522
George Town	0	0	0	0
South Sound	54	3	17	74
North Side	0	43	39	82
Cayman Kai	0	152	130	282
East End	215	149	39	403
Bodden Town	0	8	12	20
Cayman Brac	40	68	60	168
Little Cayman	36	31	18	85
<b>TOTAL</b>	<b>2303</b>	<b>1968</b>	<b>365</b>	<b>4636</b>

Source: CIDOT March 2007 including licensed and unlicensed properties

In 2006, the Minister of Tourism communicated the Government’s intention to encourage appropriate tourism development in the Eastern Districts. To that end, ‘Go East’ has

<sup>27</sup> Developments in the Eastern Districts include Rum Point/Cayman Kai area and Frank Sound area with villa properties and the Colliers area of East End with Morritts Tortuga and The Reef Resorts. There are also significant proposals for the Spotten Bay Hotel Zone.

been listed as a strategic and budgetary priority for CIDOT and the Cayman Islands Investment Bureau. A joint technical committee is providing advice for the policy.

**Table 3.3: Go East, based on CIDOT Discussion Document, March 2006**

Go East is a new, macro level initiative which encompasses socio-economic, environmental, land use, heritage and cultural issues. The initiative will involve a number of Government Departments and agencies as well as private sector groups. It will require careful planning within the framework of the NTMP and various other local laws, regulations and policies.

Considering the overdevelopment in the George Town, Seven Mile Beach and West Bay areas, it is considered logical to encourage and divert development to Bodden Town, East End and North Side and thereby improve the destination's carrying capacity for tourism, especially for cruise passengers on peak days.

However, these districts are mainly residential communities at present and with a few exceptions the area has a low level of tourism development in comparison to the George Town /Seven Mile Beach corridor. CIDOT agrees the GO EAST initiative offers an opportunity to spread the economic benefits of tourism across a more expansive geographical and socio-economic sector.

The three districts represent a vast area of undeveloped land in the context of Grand Cayman's total land mass and careful, integrated planning and management is required. Against the backdrop of the dense SMB-GT corridor one can readily see the negative consequences which result from an apparent lack of such planning. The Ministry has indicated it will seek participation and input from local residents.

To date, the project has involved a number of tasks:

- A business inventory of 136 businesses including accommodation, restaurants/bars, retail, recreational services and agriculture/landscaping;
- Surveys of residents and identified businesses;
- The identification of potential entrepreneurs;
- The identification of business types needed in each district;
- Recommendations on the types of incentives to best serve business development; and
- A report on the challenges facing businesses within each district and suggestions as to possible solutions.

The survey of residents identified interest in setting up tourism businesses and the need for more business guidance, the need for more retail, a range of ideas as to what is needed and development that was not wanted or needed. "Roughly 99% of survey respondents expressed some concern that limits are needed on development."<sup>28</sup>

From this work, a set of initial recommendations has been prepared including:

- Public education on the 'Village Tourism' concept for scale appropriate development;
- Workshops for small businesses;
- Reduction in business incorporation fees;
- Low-cost legal assistance;
- Assistance for farmers on agri-tourism;
- Investigation of co-op concepts;
- Support for marketing;
- Support for crafts;
- Promotion of tour packages to cruise lines;

<sup>28</sup> Reported in Go East Action Plans.

- Controls on tourist numbers;
- Collection and analysis of local market information;
- Greater flexibility for licensing home-based businesses;
- Business incubation facility;
- Environmental improvements and maintenance, including public beaches;
- Establish a TIC;
- Improve Spott's Bay dock and make better use of it;
- Enhanced safety; and
- Ensuring that future development is appropriate to each district.

Incentive support will be available for small, Caymanian businesses from the priority list (small-scale accommodation, restaurants, water sports and retail establishments), employing mostly Caymanians, that have a negligible environmental impact and respect the existing character of the district.

Technical assistance will be available in the form of business planning advice (financial, planning, tourism). Financial incentives will include access to debt finance and consideration is being given to possible duty concessions.

**KEY ISSUE:** *The proposed Go East initiative seeks to encourage new, appropriate development in the less developed parts of Grand Cayman. The initiative has popular support but the project needs leadership and further policy and procedure clarification, particularly in terms of the vision, objectives, desired planning controls and incentives.*

### 3.5 Public utilities

The future of tourism development in Cayman is dependent on physical infrastructure. There are issues, particularly on small islands, related to the capacity of public utilities to service the needs of tourists and, in the light of sustainability agendas, global and local, the level of energy consumption and nature of waste management. This is particularly relevant to the tourism sector as, fair or not, the industry is under the sustainability spotlight.

On the Cayman Islands, water and electricity supplies are adequate and reliable. There has been recent investment in desalination and electricity generation and piped water is being extended to the North Side over the next year. In terms of solid waste, landfill on Grand Cayman is nearing capacity although there are plans to re-plan landfill sites and introduce new technology and procedures (incineration, composting, recycling) which it is suggested will help solve the problem. A new agency, Recycle Cayman, has recently been established to pressure for more action on Grand Cayman; there is no public recycling scheme in operation.

Although there is little up-to-date comparative data, water and electricity costs are significantly higher than the US and many competing destinations. Utility tariffs are currently causing considerable concern within the tourism sector. Figures from Ritz-Carlton comparing utility rates at sister resorts show Cayman as more expensive than San Juan, Jamaica, St Thomas and Hawaii. In another survey for CITA, seven hotel members reported utility rates increasing over the past year of between 18 and 50%.

In sustainable development terms, it is understood that an Energy Strategy is being drafted by Government. More specifically, CUC has an energy conservation programme

'Energy Smart' for customers and offers mini energy audits<sup>29</sup>. CUC is currently exploring the feasibility of alternative energy sources including new ocean thermal energy conversion. CUC also continues to share its wind energy data with potential developers. The Water Authority has a conservation programme for domestic consumers with advisory leaflets but generally there is not a strong force for conservation. There are long-term plans for treating effluent for irrigation at the West Bay sewage plant. A Solid Waste Strategic Management Committee has been established to chart the direction of Cayman's waste management over the next few years. In December 2008, the Cabinet approved a policy for import duty waivers for renewable/alternative energy equipment.

The main opportunity for sustainable energy generation is solar power. At present, there is no problem for anyone wanting to install solar panels to generate electricity for their own use but there are no technical or procedural mechanisms to enable a hook up to the grid - as a linked back up or to contribute their excess to the grid. Users must therefore either be totally independent of, or totally dependent on, the main grid.

At an individual level, no tourism business on the Cayman Islands can be described as genuinely 'green', partly through the infrastructure constraints referred to above and partly through lack of individual commitment. There are some interesting initiatives including grey water usage by the Ritz-Carlton and the CCMI on Little Cayman has a totally 'green' washhouse facility. The Chamber of Commerce encourages businesses to sign up to their 'Environmental Pledge'.

**KEY ISSUE:** *Although there are no apparent constraints on public utilities, they are expensive and there does not appear to be any strategic approach to conservation of resources or more sustainable approaches to dealing with waste materials within the tourism industry.*

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<sup>29</sup> CUC has received ISO 14001 certification for its electricity generation and has a pro-active environmental management system.

## 4. TOURISM PRODUCTS AND SERVICES

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This chapter details the key issues in relation to the tourism product and services that have been developed to capitalise upon the natural resources.

### 4.1 Travelling to the Cayman Islands by air

The Cayman Islands appear relatively well served by air. In a comparison with 11 competing Caribbean destinations, only Jamaica, the Bahamas and Puerto Rico had more non-stop services from the USA.

At present, there are direct daily scheduled flights to Grand Cayman from Miami, Atlanta and Charlotte and less regular flights from Tampa (x5/week), Houston (x3/week), Philadelphia, Newark, Chicago, Detroit and Minneapolis (x1/week). Flights from New York (x3/week) were introduced in June 2007. There are two flights per week from Toronto and four from London. There are also regular flights from Jamaica and less frequent flights from Cuba and Honduras. There are a limited number of charter flights from a number of US destinations<sup>30</sup>. There are now no direct international flights to the Sister Islands.

A major concern is the low frequency of direct flights to Cayman from the main source markets of the North East. This is ameliorated by the new CAL New York service but there is also a preference by US citizens to fly on an American airline in order to benefit from loyalty programmes – and the perceived better safety.

Cayman is seen as a relatively expensive destination and high air fares (driven in part by the US carriers) contribute to this perception<sup>31</sup>. Increasing passenger taxes and charges are causing general concern. Cayman Airways is currently reviewing various marketing, booking, ticketing, code-sharing, staffing and equipment options in order to help address the problems of scheduling and pricing.

Another problem associated with airlift to Grand Cayman is the airport itself. The runway limits long haul capacity but, more significantly and in the short term, the main constraint is the terminal itself. There is severe congestion at peak arrival times. The need to increase capacity in the terminal to make passengers safe and comfortable is to be addressed with the new development plans which are due for completion over a phased programme by 2010. The new capacity will be 1.2m passengers per annum. The ancillary interfaces of immigration, customs and information services can also come under pressure at peak times leading to service quality issues. There are also various issues associated with taxi attendance at the airports (training, tariffs, metering, and uniforms) that are currently being addressed by the Public Transport Board.

**KEY ISSUE:** *Airlift to the Cayman Islands from the source markets is a major constraint.*

**KEY ISSUE:** *Visitor management remains a crucial problem at the airport.*

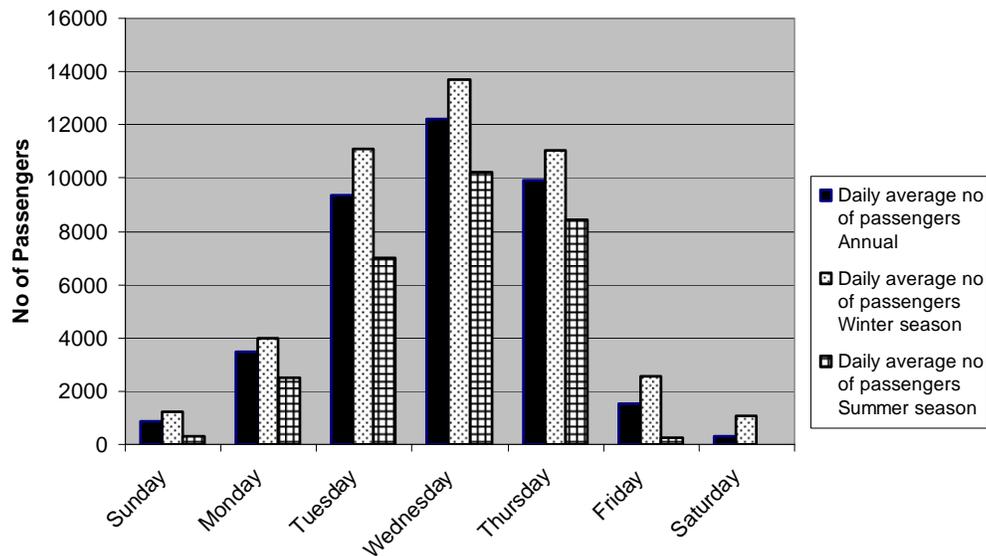
<sup>30</sup> There is no historical record of annual airlift, by no of seats.

<sup>31</sup> The relatively small number of seats from Canada and Europe impact on prices from these markets.

## 4.2 Travelling to the Cayman Islands by cruise ship

The Cayman Islands are well positioned in the western Caribbean and represent a popular destination for cruise visitors. In 2006, cruise ships arrived at Grand Cayman on 241 days bringing just under 2 million passengers with associated benefits<sup>32</sup>. A similar number is expected in 2007. (In 2002, there were 276 cruise ship days although bringing only around 1.5m visitors.) The winter peak (December to April) was identified in Fig 2.4 above. Fig 4.1 shows the peaking of arrivals on Tuesdays, Wednesdays and Thursdays.

**Fig 4.1: Average number of passengers' arrivals by day of the week and season, 2006**



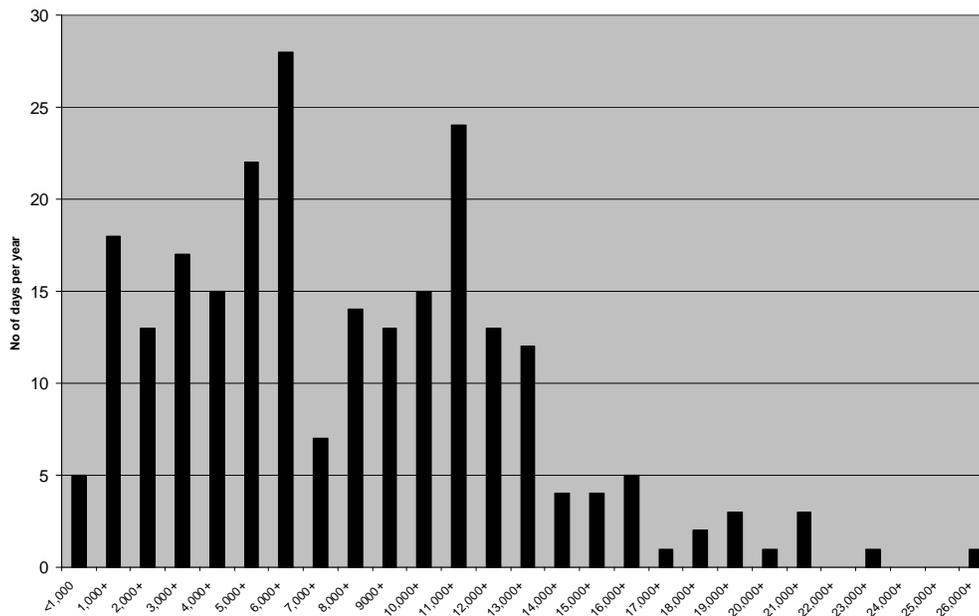
Source: Port Authority

**KEY ISSUE:** *The large volume of cruise visitors is not spread evenly through the year which raises significant visitor management issues. However, it is the peaking of arrivals on Tuesdays, Wednesdays and Thursdays that is of most significance.*

Fig 4.2 shows the number of days by volumes of passengers per day. In the previous NTMP, there was a recommended cap of 9,200 passengers per day, equivalent to 4 ships, until appropriate visitor management measures had been taken. In 2006, this figure was accommodated on 139 days and exceeded on 102 days. The more recent Government cap of 15,000 passengers/day was exceeded on 21 days. On 6 days there were over 20,000 passengers. In 2008, there were no days that exceeded the approved policy.

George Town continues to experience one of the highest ratios of cruise passengers to local population of any port in the world.

<sup>32</sup> Not just financial: a senior figure in the industry has referred to the 'majesty' of the cruise ships in the harbour and the 'liveliness' of George Town when the ships are in.

**Fig 4.2: Passenger volume by number of days per year, 2006**

Source: Port Authority

**KEY ISSUE:** Previous proposals to limit the number of passengers per day have not been implemented.

George Town is a tendering port<sup>33</sup> and, notwithstanding the new Royal Watler terminal, the facilities and services are inadequate in the light of the large number of passengers that seek to disembark on peak days. At these times, it can take passengers on the larger ships up to two hours to disembark; many will choose not to do so. Tendering creates a number of challenges which will be exacerbated with the introduction of the new Genesis Class cruise ships that can accommodate 6,500 passengers.

On arrival at the port, the visitor experience is poor. Passengers are confronted by ugly fencing and cramped conditions. The South terminal(s) have inadequate capacity, facilities and minimal circulation space. The Royal Watler terminal has more circulation space but the amenities are limited and uninspiring. There is un-protected queuing and congestion while waiting for excursions or to re-embark which is unpleasant for passengers and others visiting the town. Those not on pre-booked excursions are solicited by tour operators in an uncoordinated fashion, often requiring guests to wait until their bus is full. There is no indication of accreditation or clear definition of what is being offered by these operators. Services at the terminals are also very poor with inadequate information. Independent passengers who choose to roam are confronted by a busy road and no clear directions. All this discomfort is exacerbated by the potentially dangerous commercial port adjacent to the tour bus marshalling area. All these issues are of course made far worse on peak days. Visitor ratings of the port facilities are poor in comparison with the rest of the experience. Only 25% of visitors rated the port facilities as very good. The average spending per passenger in Grand Cayman is below the average for other Caribbean cruise ports<sup>34</sup>.

<sup>33</sup> The only major cruise port in the Caribbean with no pier infrastructure.

<sup>34</sup> US\$82 in Cayman versus average of \$98 across all ports studied. Economic impact of cruise tourism on the Caribbean economy, BREA for FCCA, 2006.

The number of passengers/day also dictates the level of congestion in George Town and at the honey pot sites of Seven Mile Beach, the other public beaches and the main attractions of Stingray City and Boatswain's Beach. On peak days, there is much anecdotal evidence to suggest that the congestion in George Town is unbearable (and the retailers do less well). On the beaches, there is conflict over rights of access and congestion at bars and restaurants. On the routes to, and at, the attractions, there is severe congestion and sometimes there is inadequate transport. The psychological capacity would appear to be somewhat below the technical capacity of moving the passengers from the ships to the destinations but there has been no attempt at measurement.

This unsatisfactory situation is far worse when weather conditions dictate that Spott's be used to disembark (around 10 days per year, 20 cruise calls and around 40,000 passengers). At Spott's, the facilities are limited, the traffic situation is chaotic and dangerous and visitors are totally dependent on transport<sup>35</sup>. The Port Authority is looking to purchase more land and appraise the necessary investment.

**KEY ISSUE:** *In the past, the main worry about the level of passengers and the related congestion was based on the impact this was having on the stayover visitors and residents<sup>36</sup>. Now, the cruise industry itself is concerned about the quality of their visitors' experience in Grand Cayman, at the port and at the various attractions.*

The Government is now committed to a tourism policy that embraces both cruise and stayover tourism. Proposals (funded by the cruise industry) are being developed for four new berths at the port and the re-location of the commercial port, subject to an EIA. This will reduce the need for tendering and enable a free, more flexible flow of passengers off and on the ships. Detailed plans and the EIA are awaited pending current financial negotiations. There is also a commitment to more pro-active visitor management that will involve a Cruise Task Force including all stakeholders.

The Ministry's ambition is that the new facility will not only improve the quality of the visitor experience and increase spend but they will also encourage cruise lines to adopt a more flexible pattern of visits i.e. more dispersed over the week and increasing the dwell-time on island, enabling longer local excursions. It is not intended to add capacity.

In terms of on-shore product, the new Camana Bay development will offer a new destination for cruise passengers with high quality retailing, catering and other attractions including easy access to the North Sound.

Figure 4.3 summarises current Government policy on cruise ships, drawing on three key speeches by the Minister of Tourism<sup>37</sup>.

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<sup>35</sup> Cruise ships can no longer anchor at Spotts; they now have to stay on engine to protect the coral.

<sup>36</sup> There have been experiments to make central George Town more welcoming through beautification schemes and an unsuccessful traffic management plan.

<sup>37</sup> Speeches by Hon. Charles E. Clifford, Minister of Tourism, Environment, Investment and Commerce to

- Cayman Islands Chamber of Commerce Luncheon, 26 July 2006, Wharf Restaurant
- FCCA Conference Opening Ceremony, 1 November 2006, Ritz-Carlton
- AAPA Cruise Seminar, 10 January 2007, Grand Cayman Marriott Beach Resort

**Fig 4.3: Current Government cruise ship policy**

Cruise tourism has expanded since 2002 due to a lack of monitoring and the redeployment of ships following hurricane damage to Mexican ports. The private sector has responded to the new situation by expanding the number of retail operations, restaurants, tours and transport services available to the cruise industry. The Government recognizes that the private enterprise which has evolved around current levels of cruise arrivals have certain requirements for viability which may not be possible with an absolute cap of 9,200 passengers per day as per previous NTMP.

Cruise Tourism is now a critical component of the tourism business' product mix and it is here to stay (at or around the current rate of 2 million arrivals). However, the Government is determined that it will be managed in such a way that it benefits the entire country.

Government is now committed to:

- New berthing. The government is currently in discussions with potential business partners to provide berthing facilities for four ships. It is believed that the berthing will:
  - Enable the Cayman Islands to compete with other cruise destinations;
  - Raise the standard of the cruise product;
  - Enhance the experience for cruise passengers;
  - Increase the economic returns of existing cruise calls by increasing length of stay and, thereby, expenditure on island;
  - Allow more time on shore for more diverse activities and exploring new areas such as day trips to the Sister Islands and exploration of the Eastern districts; and
  - Provide an opportunity to explore the provision of new services e.g. the sale of water, fresh produce and other supplies to the lines while they are docked.
- Separation of the commercial and cruise ports.
- New management measures, including:
  - An Environmental Impact Assessment which is under way and will, among other things, address Environment and Hazard vulnerability, potential environmental impacts and mitigation measures, monitoring and most importantly...the public consultation process;
  - Better distribution of cruise arrivals. Geographically, the Go East initiative seeks to distribute the economic benefits of cruise tourism across a wider area by improving the destination's carrying capacity for tourism. In temporal terms, incentives may be used to encourage visits outside the peak times; and
  - Improvement of visitor management in and around the Port and George Town.

In practical terms, the Port Authority is currently referring any future bookings that mean the port exceeds six ships or 15,000 passengers on any one day to the Board, Ministry and CIDOT requesting how to proceed.

**KEY ISSUE:** *The balance between the two visitor types remains one of the overriding issues raised by tourism stakeholders in the Cayman Islands. One side sees a large volume of relatively low spending cruise visitors deterring stayover visitors and seriously diminishing the quality of the experience for everyone. Another side sees the growth of cruise as a chance to create additional wealth and opportunities for local entrepreneurs. Current policy is to recognise the importance of cruise and to manage its sustainable growth.*

### 4.3 Moving around the Cayman Islands

There is no data to show how, or if, visitors get around the island. However, it would appear that most stayover visitors rely on taxis and/or hire cars unless on an excursion. (On the Sister Islands, scooters and bicycles play an important role.) Cruise ship visitors generally use tour operator buses when going on excursions while individuals use taxis – or walk - to access local beaches etc. The level of provision appears reasonable, but standards of service in the taxi sector have been questioned, notably uniforms, customer

service, vehicle markings, provision for the handicapped and metering. There is a reasonable public bus service but it is not well promoted or visible and few visitors use it to get around the Island. The service could be an attraction in its own right but is almost at capacity. Less than a third of visitors rated transportation as very good in the 2006 survey.

The road infrastructure is 'low key'. This has a certain charm over most of the Islands but congestion is increasing on some roads at peak times. Tourists no doubt contribute to this congestion but the main problems are on commuter routes at rush hour. The new by-pass to the east of West Bay Road has helped congestion for the time being. There are proposals for new roads including a major new east-west highway and by-pass for Bodden Town.

There is a network of footpaths on Cayman Brac and cycling on the Sister Islands is an attraction because of the quiet roads but there is no network of footpaths, trails or cycleways on Grand Cayman.

Airlift to the Sister Islands is restricted. Some passengers are reluctant to fly in the smaller planes and there are capacity and cost constraints on transporting goods and dive equipment. The airport at Cayman Brac is adequate but the airport at Little Cayman is not. CAL is looking to address the schedule and capacity from Grand Cayman; major changes depend on the airport at Little Cayman and new aircraft. A new airfield is planned for 2008 that will allow night flights and larger aircraft.

**KEY ISSUE:** *Transport for visitors on the Islands is predominantly by private vehicle. There is no active encouragement of sustainable transport to ease congestion, address carbon emissions or provide an alternative mode. Airlift to the Sister Islands is poor.*

## 4.4 Visitor accommodation

### 4.4.1 Size and nature of accommodation

The number of hotel bedrooms grew steadily from 700 bedrooms in 1980 to 2,815 rooms in 2000. Non-hotel accommodation (which includes apartments, timeshare, guest houses, condos, villas and B&Bs) grew in similar proportion over the same period, from 700 rooms to 2,549 rooms.

The hotel stock has declined significantly post-Ivan with a number of permanent closures e.g. Sammy's Airport Hotel, Victoria House, Indies Suites along with Tiara Beach on Cayman Brac. The Hyatt (230 rooms) and Treasure Island are still to re-open. A number of hotel sites are being redeveloped as condos e.g. Seaview, and some apartments have been taken out of the rental pool. However, many of these and other private units are still used regularly by owners, their friends and families for vacations.

**Table 4.1: Visitor accommodation in the Cayman Islands**

Category	1990	2000	2002	2004*	2006	2007
Hotel rooms	1,610	2,776	2,690	2,473	2,205	2,197
Non-hotel accommodation	1,454	2,453	2,585	2,635	1,702	2,287
Total rooms	3,064	5,229	5,275	5,108	3,907	4,484

Source: CIDOT, based on licensed bedrooms. \* Pre-Ivan

Note: Non-hotel accommodation room stock can vary as units come in and out of the rental pool.

The Cayman Islands' accommodation stock is dominated by small and medium sized, independently owned units. Hotel prices are in the range of US\$160-1,000+/night and condominiums range from US\$240-900+/night<sup>38</sup>.

**Table 4.2: Scale of visitor accommodation**

	Units	Rooms	Units <10 rooms	Units 10-30 rooms	Units 31-99 rooms	Units 100+ rooms
Hotels	21	2,197	2	3	8	8
Non-hotel accommodation	247	2,287	203	23	19	2

Source: CIDOT (Available rooms, 2007)

There are currently 449 condo units with planning consent or under construction but no additional hotel rooms. These consist of 12 different developments ranging between 37 units (Renaissance on Seven Mile Beach) and 80 units at Morritts. It also includes 56 apartments at Point of Sand on Little Cayman. There are a number of other mooted proposals at different stages including a Mandarin Hotel in the Eastern Districts.

**Table 4.3: Visitor accommodation coming on stream, 2007**

	Under construction	With planning consent	Awaiting decision	Total
Hotel rooms				0
Non-hotel accommodation units	240	209	56	505

Source: Data supplied by Planning Department and developers

Clearly, stock levels will bear on future visitation levels. Taking into consideration planned stock, non-hotel accommodation levels will soon recover to, or exceed, pre-Ivan levels (despite concerns about viability of lettings). Hotel stock lags behind but the re-opening of the Hyatt would bring those figures back to pre-Ivan levels.

There are a few branded operators e.g. Holiday Inn, Westin, Hyatt, Marriott and now Ritz-Carlton. The Ritz-Carlton Hotel on Seven Mile Beach has added 300 bedrooms with 74 condos of which 24 will enter rental pool thereby offering 365 rooms in total. This large seven storey development on Seven Mile Beach has been criticised for its massing on the seafront but it has clearly set new standards for luxury accommodation and service on the Islands and attracted a quite new and select market to Cayman. The Ritz-Carlton was ranked first amongst the 65 Ritz-Carlton's worldwide in 2006.

There are no truly all-inclusive resorts on the Islands. There does, however, appear to be a welcome trend towards 'condotel' development e.g. Reef Resort and Grand Caymanian, offering wider services and greater flexibility.

There is a view that the hotel product needs to be broadened, including more superior accommodation to help raise the profile of Cayman including more characterful, informal accommodation (small scale but top-end), particularly at the East End of Grand Cayman and on the Sister Islands. It is understood that the Dolphin and Spanish Bay Reef aspire to be high quality boutique hotels.

In the non-hotel sector, the Cayman Islands now have a significant number and range of top-end accommodation including some very high profile new units along Seven Mile Beach. A number of sites are being redeveloped with ever-higher standards of service

<sup>38</sup> Cayman Islands 2007 Travel Planner.

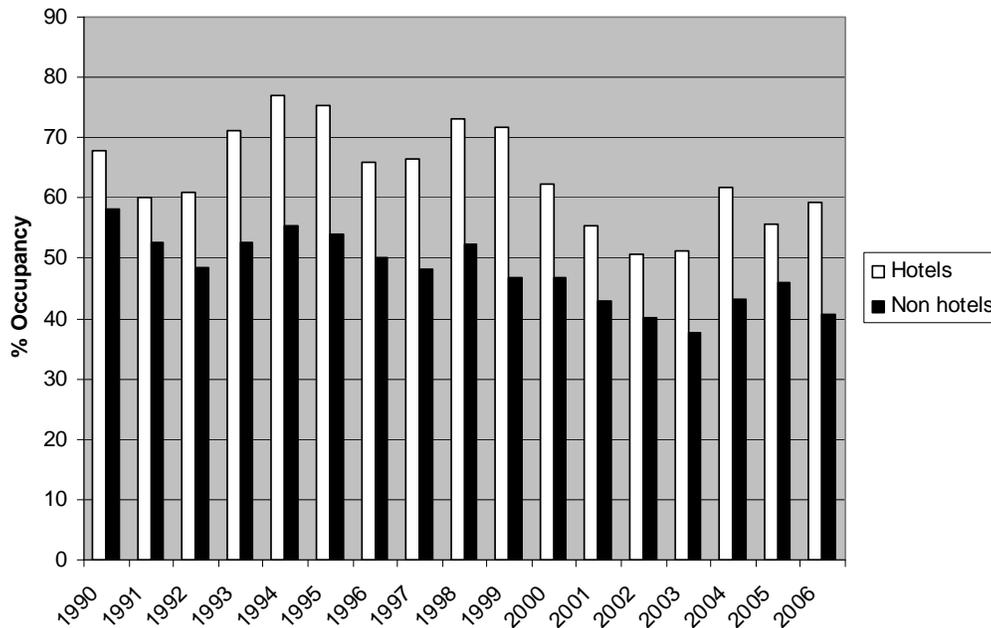
and facilities. There has been little research on the impact of apartment development in the Cayman Islands; the perception of limited benefits needs to be tested against actual levels of usage and profile of users.

The Cayman Islands is one of very few Caribbean destinations with an inspection and licensing programme but there is no formal grading. Hotel standards are generally considered to be good although there are no independent surveys of satisfaction with accommodation.

#### 4.4.2 Accommodation occupancy and performance

The average occupancy for hotels during the 1990s was 69% and, for non-hotel accommodation, 52%. After 1998, rates declined reaching an all-time low in 2002 of 50.6% for hotels and 40.2% for non-hotel accommodation.

**Fig 4.4: Accommodation occupancy rates**



Source: CIDOT

In 2004, even pre-Ivan, the hotel stock had decreased by 12%. Post-Ivan, the stock declined further which accounts in part for the increased occupancy noted. The worsening performance pre-Ivan led to a number of businesses falling into difficulty. For a number, Hurricane Ivan was the last straw and some did not re-open.

Post-Ivan, occupancy levels are improving, albeit on the basis of less stock. However, 2007 is on track for an occupancy level of 60%+ for hotels and 43% for non hotels. The management and marketing of condos in the rental pool by Strata Corporations is perceived to be a major issue in the performance of the condo sector.

**KEY ISSUE:** Visitor accommodation stock is still down on pre-Ivan levels and although there is further supply of non-hotel accommodation in planning, no new hotel accommodation is committed. Occupancy levels have improved of late, partially in response to the loss of stock but also some qualitative improvements.

**KEY ISSUE:** The hotel stock has been transformed by the Ritz-Carlton and there is a perceived need to attract more superior quality accommodation.

**KEY ISSUE:** The management and marketing of the condo sector (by the Strata Corporations) is perceived to lack commitment to tourism use.

#### 4.5 Meeting/function facilities

The Ritz-Carlton has brought a new dimension to the conference/function product with its 14,500 ft<sup>2</sup> purpose-built convention facility including a 9,100 ft<sup>2</sup> ballroom and large outdoor functions area (1,000 guests) and additional meeting rooms with accommodations for 22-180 guests. Other facilities on the Islands are limited. The Westin (650) and Marriott (530) are the other major operators capable of accommodating 200+ delegates on site. In addition, there are meeting facilities at the Hyatt (100), Grand Pavilion, Harquail Theatre, Brac Reef Beach Resort (110), Little Cayman Beach Resort (110), the Reef Resort (50) and other smaller venues.

#### 4.6 Visitor attractions

Besides water sports, there is a range of other things to see and do on the Islands. Whilst these may not stimulate holiday visits in their own right, they can have a profound affect on the quality of the overall experience. They add richness and enjoyment and contribute to the overall character of the Cayman Islands. They also provide a range of activities for local residents to enjoy.

There are a number of attractions on the Cayman Islands ranging from formal heritage sites to commercial outlets. The attractions are managed by Government, commercial enterprises and the National Trust and vary enormously in terms of size, quality and impact. Visitor numbers are not readily available.

**Table 4.4: Cayman Islands' visitor attractions**

Attraction	Adult Charge	Visitor Numbers	
		Pre-Ivan	2006
<b>Government attractions</b>			
Boatswain's Beach (Turtle Farm)	Charge	340,000	c400,000
QEII Botanic Gardens	Charge	34,000	26,000
Pedro St James	Charge	30,000	6,000
Hell	Free	N/a	N/a
Craft market	Free	N/a	N/a
National Museum	Charge	c28,000	22,000 (Shop only)
National Gallery	Free	N/a	9,200
<b>Private attractions</b>			
Butterfly Farm	Charge		
Pirates Caves, Bodden Town	Charge		
Submarine rides	Charge		
Sightseeing tours	Charge		
Helicopter/sky tours	Charge		
Black Pearl Skate and Surf park	Charge		
Tortuga factory outlet	Free		
<b>National Trust and volunteer museums</b>			
National Trust Visitor Centre	Free		
Savannah Schoolhouse	By appoint.		
Mastic Trail	Free		
National Trust Centre, Little Cayman	Free		
Heritage House Cayman Brac	Free		
Cayman Brac Museum	Free		
Little Cayman Museum	Free		

Source: CIDOT, TAB etc

Visitor numbers correlate with accessibility for cruise passengers. Hence, Boatswain's Beach, Hell, The National Museum and the rides/sightseeing tours in central George Town attract the most visitors (along with Stingray City).

The Turtle Farm has been redeveloped as the \$60m Boatswain's Beach with greatly enhanced viewing facilities, a nature trail, aviary, education centre, retailing and catering. There are plans for a snorkel lagoon and predator tank. Although there are some who feel the character of the old turtle farm has been lost, Boatswain's Beach is now a modern theme park, designed to cope with the influx of cruise passengers.

The intrinsic heritage quality of some of the attractions is excellent, notably the Botanic Garden and Pedro St James<sup>39</sup> although the presentation, interpretation, range and quality of activities, amenities and services is variable. Visitor numbers at these heritage attractions which are outside the main cruise excursion circuit, remain stubbornly low.

There are a number of current proposals for new or improved attractions:

- Three (highly contentious) proposals for dolphinarium;
- A palm (and Biblical) garden at the Botanic Garden, subject to funding;
- A new National Gallery adjacent to the Harquail Theatre; and
- A new farmers/craft market and agri-tourism/cultural complex at the agricultural showground to include museum, events venue, petting zoo etc. (NB: a similar market is planned for Camana Bay.)

**KEY ISSUE:** *There is a range of attractions in Cayman including some unique facilities. Those on the cruise excursion circuit attract significant numbers. Those outside the current circuit, struggle to attract sustainable numbers.*

#### 4.7 Contemporary culture and built heritage

Cultural activity plays an ever more important role in strengthening the appeal of destinations. In turn, visitors can provide an important additional audience, helping to sustain local activities. There is a perception, held by some that the Cayman Islands do not have an accessible culture that can be translated into a tourism resource. The Caymanian culture of friendliness, traditional values and evident social harmony is clearly strength in hospitality terms. Other aspects of Caymanian culture are just less well developed or poorly interpreted or have no outlet and so provide less of an attraction to visitors at present e.g. local language, food, arts and crafts, music, dance, story-telling, architecture. The transient nature of the population makes it difficult to develop the artistic base and it is sometimes difficult to sustain local events requiring significant volunteer support.

Training is needed to draw out latent talents – and a market is needed to support professional activity. Local awards, events and programmes such as: the McCoy Prize for Art, the Masters/Apprentice programme for local crafts, the Art@Governor's.com event, heritage days and 'Lookya' events at the Museum have helped sustain cultural development.

Other initiatives to develop the contemporary cultural side of life include:

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<sup>39</sup> The National Museum remains closed post Ivan (March 2007). Miss Izzy's Schoolhouse and the Mission House in Bodden Town are also under restoration. The heritage centre in Cayman Brac has not yet opened.

- The Cayman National Cultural Foundation (NCF) takes a leading role in promoting local performing arts at the Harquail Theatre and other events in the community e.g. 'Cayfest' (a 2 week festival of culture and heritage) and 'Gimme Story'<sup>40</sup>;
- The National Gallery is a focus for the growing number of local artists and galleries with an important educational outreach programme;
- Pirates Week, including district heritage days, has become a national festival along with the Cayman Carnival Batabano and the new Jazz Festival; and
- The agricultural show with a range of local activities and products on display is probably the biggest local event attracting 9,000 visitors in 2007.

In terms of the physical heritage:

- The National Museum is an iconic building in a prime location. It includes the largest collection of Caymanian art as well as collections of natural history, maritime history, domestic life, local trade and industry. It has not re-opened post-Ivan;
- The museums on the Sister Islands tell the local stories in a simple, traditional style;
- The National Museum and partners (the National Trust, National Archive, DoE) have developed a Maritime Heritage Trail for the three islands and the Trust has prepared a number of other (guided) heritage tours; and
- Although there has been some unfortunate destruction of local built heritage, a number of traditional buildings and historic sites are being restored by the National Trust and others and greater consideration is now being given to heritage conservation (Development Plan Review).

**KEY ISSUE:** Access to local cultural products and activities is limited for visitors at present. Events are particularly important in this respect.

#### 4.8 Food and shopping

Food is an important part of any holiday experience and can make a significant contribution to the attraction of destinations. Good quality local food and drink adds another dimension that visitors want to experience.

There has been significant investment in new and restored restaurants over the last two years<sup>41</sup> and there are some good local restaurants around the Islands. Seafood is a strength for the Cayman Islands with some distinctive local dishes. Local food is showcased at the Taste of Cayman event every year.

Retailing is also an important element of the visitor's experience. The shopping area in George Town is dominated by ubiquitous – albeit high quality – duty-free outlets. There are few local, independent shops to distinguish the offer and there is little in the way of good quality crafts or goods unique to the Cayman Islands readily available to tourists<sup>42</sup>. The new craft market in George Town is an important new addition but is still evolving. There is little retailing of interest to visitors outside George Town and Seven Mile Beach.

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<sup>40</sup> The NCF also collects and archives oral histories in a memory bank at the national archive, it publishes artists' work and supports local groups.

<sup>41</sup> The Ritz-Carlton has five new restaurants. The Camana Bay development includes six new restaurants.

<sup>42</sup> Exceptions include rum cake, hot sauces, Caybrew beer, woodwork, jewellery including work in Caymanite. New initiatives include sea salt and taffy.

As stated above, the local environment does not add to the retail experience; pedestrians are in danger from the traffic, the congestion is unpleasant, the buildings are generally mundane and the public realm areas are few and uninviting. Anecdotal evidence suggests the (more affluent) stayover visitors are dissuaded from shopping in George Town by the congestion on days when several cruise ships are in port and the ambience is at its worst. Shops are generally not open on Sundays.

The proposed Camana Bay centre will provide a new retail and eating out destination with some high quality new outlets and a range of activities.

**KEY ISSUE:** *Local cuisine and retailing of local arts and crafts - and the environment in which they are sold - should be essential manifestations of local Cayman culture and key attractions to visitors. At present, this is not always the case. More could be made of local resources.*

#### 4.9 Other recreation activities

There are a number of land-based activities that capitalise upon the natural environment. In particular, the Cayman Islands offer the potential for good walking, climbing, cycling, riding and wildlife tourism, particularly on the Sister Islands. These activities are still only undertaken by a minority of visitors; while 25% of respondents to the exit survey had participated in nature trails/eco-tourism, less than 1% referred to cycling or horse riding.

The National Trust is now running an active programme of activities including guided walks on the Mastic Trail, bird watching tours, Blue Iguana tours and mangrove boat tours. Mangrove tours are also available by kayak amongst a range of adventure and nature tourism offers, including motorbike tours of the island.

The Cayman Islands have the usual range of sports and leisure facilities with:

- Golf at the new Greg Norman course at the Ritz-Carlton, Britannia Club and Safehaven;
- Tennis facilities at many hotels including the new Bollettieri Tennis Academy at the Ritz-Carlton; and
- Spas at the various hotels.

Major sports events include:

- The international fishing tournament;
- Flowers One Mile Sea Swim;
- Cayman Triathlon;
- Rugby 7s (2007 event postponed); and
- Cayman Madness Dive vacation (postponed post-Ivan).

**KEY ISSUE:** *The Cayman Islands have emerging potential for walking, cycling and nature based tourism that is not fully exploited.*

**KEY ISSUE:** *Sports facilities and events in Cayman are important attractions but should be seen primarily as adding value for existing holiday-makers (and residents). Drawing in visitors should be seen as a bonus.*

There are a number of discos and night-clubs and many hotels are active in providing evening entertainment although operating hours are seen by some to be too restrictive.

Casinos are not permitted in the Cayman Islands although it has been a subject of debate. There is a perception that there is little to do on Grand Cayman although, for many residents and visitors, that is an attraction.

A new six-screen cinema is being built in the Camana Bay development.

**KEY ISSUE:** *It will be important to ensure an adequate range of entertainment for visitors. The appropriate level and nature of activities needs to be defined locally.*

#### 4.10 The tourism workforce

Tourism is a service industry and needs people. However good the basic product, without a skilled and motivated workforce it is difficult to deliver a quality tourism experience. Around half of the businesses in the retail and hospitality sectors of Cayman cited the labour market as a weakness to their business<sup>43</sup>. Finding, attracting and retaining the right staff is a problem for the tourism industry throughout the Caribbean but circumstances on the Cayman Islands make the situation even more difficult<sup>44</sup>.

Unfortunately, the small population, the low unemployment rate and the low regard held for tourism jobs amongst Caymanians means there is a limited pool of locals who are qualified and prepared to work in the sector<sup>45</sup>. The workforce skills assessment survey identified the poor work attitudes and habits as a specific problem as well as a lack of relevant skills in the local labour force. A review of wages and jobs in the tourism sector in Cayman highlighted the difference between salaries available in tourism and other sectors in Cayman<sup>46</sup>. UCCI offers associate degrees in hospitality management and other courses in hospitality studies for entry-level positions but traditionally, take-up has not been good.

Given the difficulty in attracting Caymanian personnel, local businesses have come to rely on expatriate staff. In the 2005 Occupational Wage Survey, 64% of employees in hotels and restaurants were work permit holders and 56% in the retail sector. Caymanians appear more prevalent in transport but the sample size was small and anecdotal information suggests a recent increase in other Caribbean drivers.

This diverse employment pool:

- Adds to the expense of a holiday in Cayman relative to other destinations;
- Exacerbates the growing social imbalance between Caymanians and expatriates;
- Further dilutes the overall Caymanian experience for visitors<sup>47</sup>;
- Can be de-motivating for those Caymanians who do work in the sector;
- Does not help create a strong local management pool for tourism businesses;
- Does not help engender a sense of local ownership of the tourism product; and
- Elicits the question, “Who are we developing tourism for?”

Non-Caymanians employed in hotels and restaurants represent only 14% of all non-Caymanians in the labour force<sup>48</sup> but this imbalance is perhaps more evident in the

<sup>43</sup> Workforce Skills Assessment Survey, Dept of Employment Relations, Sept 2003.

<sup>44</sup> In most other Caribbean countries, where labour costs are generally lower and other alternatives are limited, many more local people are attracted to the tourism sector.

<sup>45</sup> This is despite the fact that 40% of school pupils express an interest in tourism courses.

<sup>46</sup> Presentation to The Tourism Apprenticeship Advisory Council, Jan 2007.

<sup>47</sup> Few Caymanians work in front-of-house positions anyway.

<sup>48</sup> Clearly, many of those employed in other sectors eg business and personal services will rely on tourism to significant degrees.

tourism sector where the staff are 'on show'. (This is less of an issue on Cayman Brac where there is a small but sufficient pool of available local labour.)

There is increasing difficulty in recruiting staff abroad with the right skills as they have an expanding range of opportunities open to them. This problem is exacerbated by the high cost of providing staff accommodation and work permits. There is a concern that the proposed new immigration law and the 'rollover rule' will make it more difficult to attract high calibre senior staff and standards will decline.

In the past, efforts have been made by CIDOT and CITA to encourage greater awareness of, and interest in, the tourism industry in the local population. The Government has also applied pressure with the requirement for Business Staff Plans which have to set out proposals for employing Caymanian staff. CIDOT has recently initiated a major new 'Human Capital Development' initiative. This involves:

- Education initiatives: Working with schools and teachers to inform students about tourism, to encourage exploration of the subject (e.g. essay competitions on cruise with FCCA, Caribbean tourism with Conde Nast), and opportunities to advance e.g. shadowing, visits to tourism facilities, infusion workshops, Junior Achievement Awards with the Chamber of Commerce (pending) and the scholarship programme;
- Awareness initiatives: Engaging local communities in tourism development (including a proposed 'Hosting' programme), creating an awareness among the local population about the economic, social and cultural impacts of tourism and raising awareness of careers and opportunities; and
- Training initiatives: The goals are to provide training opportunities for Caymanians, to provide the industry with a number of highly skilled and professional workers, to ensure the provision of excellent customer service, to continuously improve work skills/competencies and to co-ordinate training opportunities offered by regional and international partners. The focus of this work is a new one year sponsored apprenticeship training programme which started in 2006 aimed at attracting 20-40 school leavers per annum - and those in work with practical experience - working with UCCI and the International College to deliver accredited qualifications.

The CIDOT initiative also seeks to address service level issues. CIDOT is therefore:

- Expanding the long-standing community tourism awareness programme with three larger district events per year and the development of the 'People to People' programme (HOST) i.e. training people in the community on customer service and different aspects of the country; and
- Introducing a National Service Excellence Standards programme. Following research in 2005, customer service was identified as being in need of improvement. A strategic plan (PRIDE) has been prepared to develop minimum standards in various tourism related sectors. The aim is to establish and implement minimum standards of quality for customer services throughout the Cayman Islands tourism industry, help develop local customer service trainers and train tourism managers that are capable of leading quality improvements in customer service and make customer service levels measurable and accountable through on-site inspections that are based on international standards.

In the private sector, most individual operators do not have formal training programmes. Some take in-house training more seriously than others but this is a key area for development because of the number of small firms in the tourism sector, particularly the need for all staff to promote the Cayman brand. Ritz-Carlton is one exception; it is a

teaching hotel, has an extensive training programme and is aiming to double the number of Caymanians employed. CITA, the Chamber of Commerce and the National Trust offer relevant courses to operators and CITA will be administering the CARIBCERT certification for the Apprenticeships programme.

**KEY ISSUE:** *The tourism sector will only ever be able to fill a small proportion of posts with Caymanians but this proportion should be maximised.*

**KEY ISSUE:** *The (increasing) costs associated with human resources contribute significantly to the general high cost of doing business in Cayman.*

**KEY ISSUE:** *Increasing visitor numbers will require more staff. Training for these staff is imperative to maintain standards and to provide a quality Caymanian service.*

## 5. CHALLENGES AND OPPORTUNITIES

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Previous chapters have concentrated on product and past performance but tourism is essentially market driven and is constantly changing over time in response to a number of drivers. The Cayman Islands can not isolate themselves from changes taking place in the outside world – any more than they can from another natural disaster - and if they can not respond to what the target markets want, those visitors will not come.

All competing destinations have to respond and adapt to these drivers, they are not unique to the Cayman Islands. The question is, can the Cayman Islands adapt better than its competitors in order to achieve what it wants to achieve?

### 5.1 The drivers of change

The future shape of tourism will be determined by the interaction of a number of underlying factors including economic, social, demographic, environmental and technological drivers.

#### 5.1.1 Economic prospects

As a whole, the global economy is expected to maintain positive growth but there are concerns. Oil prices, interest rates and the 'credit squeeze' all impact on available income. The housing situation in the US remains a concern. (A weaker US dollar will not affect travel by Americans to Cayman while the strong euro and pound should stimulate European travel.)

Notwithstanding cyclical changes and negative events that are hard to predict, there is an underlying confidence in the basic fundamentals in the US (and Canada and Europe)<sup>49</sup>. This should encourage a relatively stable economic prospect in the medium term. Over recent years, surveys of business economists by the National Association for Business Economics have regularly pointed to key sources of strength in the US economy. These include a dynamic and flexible labour market and a financial system that rewards innovation and risk-taking. At present, many economists estimate the potential growth rate at 3-3.5%. Real GDP growth has been robust since 2003, and the unemployment rate is down to 4.6%.

Disposable income and leisure spending should continue to grow for a large section of the potential market which will stimulate holiday-taking. In this context, US government statistics indicate that the wealthiest Americans have achieved even greater income levels in the past few years. Indeed, the early 2000s saw an historic rise in the number of households with a net worth, excluding their primary residence, of more than \$1million. In 2004 alone, there was a record 8.2m households with a net worth of \$1million or more, up 33% from the previous year<sup>50</sup>.

Travel Industry Association forecasts travel volume growth with renewed enthusiasm for travel amongst consumers based on the good economic fundamentals. Some Americans will look for what they perceive to be more economical destinations for

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<sup>49</sup> In the longer term, the economic implications of the changing demographic situation in the United States and the rest of the world should raise some concern.

<sup>50</sup> CNN Survey, November 2004.

summer vacations and some will shorten their trip because of gas prices and/or personal finances. However, many are taking these constraints 'in their stride'.

### 5.1.2 Demographic changes

In the US, the population is growing rapidly; it is forecast to reach 400m by 2050. Close to 30% of the population is currently under the age of 20 which offers enormous growth potential for tourism. In addition, the relatively small proportion of US adults who currently hold passports suggests a huge latent market for travel.

Despite economic concerns over recent years, a protracted war in the Middle East and rising fuel costs, many Americans are travelling once again. Much of this may be due to the aging population, particularly the baby boomers, who find themselves with more disposable income and a greater propensity to travel as the oldest of them reach retirement age. As a group, boomers are used to travel and adventure, and they have raised their children to be similarly inclined – and neither the boomers nor their echo-boomer children are ready to give up the freedom and adventure that international travel brings. These wealthier than average Americans are able to travel even more now that they are 'empty nesters' and nearing retirement age. US baby boomers are looking for leisure travel that is experiential, educational, full of adventure and, most importantly, can provide an opportunity for 'togetherness' – spending quality time with their multi-generational, disparate and, increasingly, blended families.

In Europe, the population is not growing in the same way and the profile is getting increasingly older. There will be significantly fewer families with children and a big increase in the 40-70 year olds. The affluent, active, early-retired group is a key market for the future as age is much less of a determinant of behaviour than before. Today's 60 and 70 year olds are active, healthy, and enquiring, and carry their values and interests with them as they age. Importantly, they have the time to take holidays and are more flexible in terms of when holidays can be taken.

There will also be a significant growth in single person households. By way of example, by 2016 these will account for over a third of all households in the UK. This will encourage the development of holidays that have an 'interest' focus and provide an opportunity to meet others in a convivial environment.

### 5.1.3 Environmental awareness

Most surveys of visitors confirm the importance of an attractive and well managed environment/scenery as a critical factor in the choice of holiday destinations. There is also a small but fast growing market for 'green tourism' experiences i.e. nature and culture based holidays, using environmentally-friendly accommodation and transport that seek ever-closer interaction with the local environment and host community.

At a global level, concern about climate change and sustainable living is impacting upon the tourism industry in a big way. Tourism is under the spotlight as it is largely predicated on air travel. In the Caribbean, there are particular concerns for tourism in relation to sea level changes, increased severity of tropical storms, global warming and coral bleaching impacting on the inherent product.

Equally, the growing awareness and concern about environmental issues means that more notice is taken of the carbon emissions involved in travel - and the environmental credentials of holiday destinations. A Trip Advisor survey (2007) of more than 1,000 travellers worldwide has found that 40% take environmentally-friendly tourism into

consideration when making travel plans and 66% believe that environmentally-friendly measures in travel are making a difference.

Nearly 25% believe that air travel should be avoided, whenever possible, to help preserve the environment, while 38% said would pay more to take an eco-friendly flight and 26% would pay a 5-10% premium. Just over a third (34%) said they would pay more to stay at an environmentally-friendly hotel, while 38% said they had already stayed at an environmentally-friendly property, and 9% would specifically seek out environmentally-friendly establishments. When asked to specify how much they extra they would be prepared to pay for 'green' accommodation, 25% said they would pay a 5-10% premium, and 12% would pay a 10-20% premium.

These findings are replicated in a TIA/National Geographic Traveller report (2002) which found nearly 36% of adult Americans can be classified as responsible travellers and almost 75% of adventure travellers said that responsible travel practices play a key role when choosing a travel provider for an adventure vacation (Adventure Collection, 2005). The study also found that active travellers are willing to spend an average of 10% more on excursions if they are confident that the travel provider is responsible and respects the ecology and diversity of the planet.

The Caribbean Tourism Organisation (CTO) and the Caribbean Hotels Association (CHA) are looking to address these issues at a regional level, particularly the concern that potential visitors will be put off travelling on environmental grounds and carbon off-set programmes will enhance the cost of travel to the Caribbean. They are seeking to highlight the economic impact of such changes on the region and emphasise that the region's tourism sector is a low carbon emitting industry and should not be penalised<sup>51</sup>. Carbon trading programmes and off-setting projects are being explored.

An interesting point with regard to the Cayman Islands and its upmarket goals is that it is assumed that the luxury travel market will lead the shift to environmental destinations. It is the affluent who are in a position to demand change, and pay for it.

#### 5.1.4 Social change

In much of the USA and Europe, new working patterns are emerging with a higher proportion of women working, the growth of two-earner households, shift working and contract employment. This means that many people are looking for more flexible holidays that can be fitted into busy lives. The constraint for many working people is time - not money - and in the USA, holiday entitlement is still very limited. This has a bearing on the reducing length of stay in the Cayman Islands.

Going on vacation is no longer just about picking a destination. Increasingly, it is about choosing a holiday which is customised to suit the individual consumer. People have become much more discerning and knowledgeable with regard to their holidays. They make their own arrangements, are more aware of what exists elsewhere and less loyal to particular destinations. They are keen to explore holiday opportunities within their own niche interests, whether that is bird-watching or learning to play an instrument. Trips for women, men, couples and grandparents are cropping up to cater for an ever-more fragmented consumer base with operators looking to differentiate themselves.

Travel has become another consumer item where people acquire prestige by choosing the 'right' destination whether it be for an annual vacation or a destination wedding. This is driving people to look for new experiences. In Europe and the US, this is benefiting

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<sup>51</sup> CHA-CTO Position paper on global climate change and the Caribbean tourism industry, 2007.

exotic destinations but the Caribbean is in competition with many other locations now, many of which can offer a richer, more diverse experience e.g. Europe for the Americans is the fastest growing market.

Holidays have become more than simple relaxation. There is a growth in interest in health and fitness, personal growth and development, enrichment rather than indulgence. This has stimulated a demand for adventure holidays, walking and cycling, and holidays with a special interest theme.

Authenticity is also important to travellers. 61% of Americans believe their experience is better when their destination preserves its unique natural, historic, and cultural sites. In addition, 41% of these travellers said their vacation experience is better when they can see and do something authentic.

A review of 11 competing Caribbean countries highlighted both the increasing emphasis on more remote 'off the beaten' path destinations e.g. the outer islands of the Bahamas, Puerto Rico's 'explore beyond the shore', Jamaica's South Coast and the trend to capitalise on adventure/experiential travel and focus on authenticity and local culture.

#### 5.1.5 Human conflict and natural disasters

In the wake of September 11, other terrorist activity and the Iraq war, travelling by air to a distant location is now of concern. The actual impact of such action on visitor numbers diminishes with time since the last event and varies by distance to travel<sup>52</sup>. However, the Caribbean is perceived as a relatively safe region. This came to the fore when cruise ship operators switched many voyages to the Caribbean from Europe in the wake of 9/11.

Personal safety at the destination remains a powerful factor in decision-making and a particular strength in the Cayman Islands. By their nature, however, security issues and likely responses by tourists are difficult to predict.

Also threatening US outbound travel is the increased US media attention on hurricane season (particularly pertinent post Hurricanes Katrina and Ivan) and the looming threat of global health crises such as SARS or an avian flu pandemic. The level of concern has ebbed over recent seasons but it could always return following another event. Climate change is thought, by some, to have heightened the hurricane risk.

#### 5.1.5 Technological change

Over the last century the main technology drivers in the tourism sector have been the development of new transport options. Advances in aircraft technology can still have an impact but the main change has been the development of cruise ships as floating hotels. The real cost of travel has continued to fall although fuel costs and other charges have countered the beneficial competition between operators. The current concern over carbon emissions from aircraft may well change this dynamic.

The development of information technology continues to revolutionise the way in which tourism products are promoted and sold.

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<sup>52</sup> Evidence from September 11 suggests that long haul traffic was affected by both the concern for being far from home in time of trouble and the risk of travel.

## 5.2 Tourism has strong growth potential but can be volatile

### 5.2.1 The international tourism scene

World-wide tourism has shown strong and continuous growth over the past 30 years and is expected to continue to grow in the future. With 842 million arrivals and a 4.5% growth rate, 2006 exceeded expectations as the tourism sector continued to enjoy above average results, making it a new record year for the industry despite concerns over terrorism, health scares and oil prices. The latest World Tourism Organisation Tourism Barometer figures (and those of WTTC) suggest that 2007 will consolidate this performance and turn into the fourth year of sustained growth. The increase in international tourist arrivals is projected to be around 4% pa, much in line with the forecast long-term annual growth rate of 4.1% through 2020.

There is more confidence in this growth projection as businesses, consumers and relevant agencies are now better informed and prepared to anticipate and respond more positively to crises.

Over the past two decades, the international cruise industry has experienced solid growth world-wide. In 2006, the industry reported nearly 14 million cruise passengers, representing an annual increase of 14.5% over previous years, well above growth in international tourism globally. Analysts project the number of international cruise passengers will increase from 6% to 12% per year between 2010 and 2015, reaching between 18 and 24 million by 2010 and between 22 and 34 million by 2015<sup>53</sup>.

### 5.2.2 Tourism in the Caribbean

In the Caribbean, stayover tourism arrivals have grown by 10.5% between 2000 and 2005 (in contrast to the Cayman Islands over this period). This growth is less than the growth in international tourism world-wide over the same period (15.5%). Growth in Caribbean tourism has slowed in relative terms; in the previous decade, the region was well ahead of the game. CTO expects continued moderate growth between 2.5 and 3.5% but there is a view that the Caribbean market is maturing i.e. past the rapid expansion phase and now needs to compete hard to retain its market as new sites come on stream. The real growth in recent years has been in south east and north East Asia where significant growth has been achieved based on very high quality - and environmentally conscious – resort development. WTTC's 'Tourism for Tomorrow Awards' include many examples<sup>54</sup>.

The US remains the largest market in the Caribbean with a 50% share but Europe (25% share) has seen the fastest growth (average 9% pa with the US at 3%). Notwithstanding, the US market is expected to continue to expand. Total outbound travel from the US increased 5% in 2005 and is projected to increase by 3-4% over the new few years. The Caribbean saw similar increases, with a 4% increase in US visitors in 2005<sup>55</sup>. Cayman and other Caribbean destinations will remain popular for this sector due to proximity, airlift and the quality diving but these factors are of decreasing relative value and the competition is growing. Europe has gained ascendancy in a number of Caribbean markets but cost and airlift mean these two markets will remain small in the Cayman Islands.

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<sup>53</sup> Thirty brand new vessels will enter service between 2007 and the end of 2010 indicating the robust growth of the industry.

<sup>54</sup> [www.tourismfortomorrow.com](http://www.tourismfortomorrow.com).

<sup>55</sup> US Office of Travel and Tourism Industries, June 2006.

Cruise tourism grew by an average of 10.3% per annum in the Caribbean between 1999 and 2004 (12.7% in Cayman). The latest figures from CTO show a 2% decline in cruise passenger visits in 2005. There is concern in the industry about a 'softening market'<sup>56</sup>. Prices are have been sliding since the end of 2005 and there is much debate about whether this is a cyclical phenomenon caused by the US economy impacting on the mass market or whether it is a tiredness with the product. Overcrowding and uniformity of destination have also been quoted. However, the Caribbean still commands nearly half of all cruise capacity worldwide with its varied, year-round appeal and proximity to the US.

Perhaps the most significant factor is the likely emergence of Cuba as a major destination. When the country opens up, it is likely to change the dynamics of tourism throughout the region. This may impact specifically on cruise; there will suddenly be an alternative to Cayman's strategic location on the western Caribbean circuit.

In this context, niche markets appear even more important e.g.:

- The dive market is the well established adventure tourism product and remains an important 'extender' segment in Cayman. Opportunities for walking, cycling etc are being explored around the region;
- The romance market including destination weddings and honeymoons is growing strongly. 16% of US weddings are 'destination weddings' and Caribbean honeymooners spend over 5 times more on their vacation than the average U.S. traveller. Honeymooners also tend to return. The market is projected to grow nearly 20% in the next 10 years. Price is not as important as quality of experience for this niche market<sup>57</sup>. This is an extender market for Cayman; 11% of those who honeymoon in the Caribbean select the Cayman Islands;
- Caribbean destinations are looking to exploit the culture and heritage market mainly through regional festivals/carnivals. Physical heritage is also being exploited in Cuba, Jamaica and other locations;
- Nature/eco-tourism represents a relatively small but dedicated market in the Caribbean e.g. Costa Rica, Dominica;
- Sports tourism where people come to take part in a festival or competition with their club or school, often with their family and friends, is small scale but valuable. There are also a few regional events e.g. St Lucia Legends Tennis Tournament, Barbados Open Golf Tournament;
- In business tourism terms, the incentive market remains highly valuable but also very selective and sensitive to economic conditions. Conferences, meetings and exhibitions remain as largely regional markets.

### **5.3 Strengths, weaknesses, opportunities and threats**

A summary of the key strengths and weaknesses arising from this overview of tourism in the Cayman Islands and global drivers of the industry is set out in the table below.

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<sup>56</sup> Cruising in the Caribbean: Is the problem economic or structural? Travel Index, March 2007.

<sup>57</sup> Evidence taken from research and presentation by Engaging Concepts, 2004-2006.

**Table 5.1: The Cayman Islands SWOT analysis**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Politically stable and financially secure</li> <li>• Safe, clean and hassle-free destination</li> <li>• Accessibility for US market</li> <li>• Great beaches</li> <li>• World class diving</li> <li>• Range of water sports</li> <li>• Friendliness of the people</li> <li>• Diverse, high quality product</li> <li>• Relaxed pace of life/ Island appeal</li> <li>• Exclusive image</li> <li>• Loyal market</li> <li>• English speaking</li> <li>• Unspoiled Sister Islands</li> <li>• Unspoiled east Grand Cayman</li> <li>• Nature interest</li> <li>• Unique heritage attractions</li> <li>• Good range of restaurants</li> <li>• Good physical infrastructure</li> <li>• Fixed dollar exchange rate</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Reliance on US market</li> <li>• Airlift from key points of origins</li> <li>• Congested airport</li> <li>• Congested port</li> <li>• Congestion and conflict in George Town and key sites; poor visitor management</li> <li>• Limited range of accommodation</li> <li>• Management/marketing of condos for tourism</li> <li>• Limited attractions</li> <li>• Perceived poor value for money</li> <li>• Sense of over-development and lack of open space on Seven Mile Beach</li> <li>• Poor environment in George Town</li> <li>• Lack of Caymanian distinctiveness</li> <li>• Limited promotion of public transport</li> <li>• Low profile/limited access to arts and culture</li> <li>• Poor access to beaches and countryside</li> <li>• Lack of information</li> <li>• Lack of information about Sister Islands and rest of Grand Cayman</li> <li>• Small pool of local labour</li> <li>• Shortage of relevant skills/training</li> <li>• Lack of interest by Caymanians in tourism industry</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• World growth in tourism</li> <li>• Growth in family travel</li> <li>• Growth in conference/meetings/incentive market</li> <li>• Interest in distinctive cultures</li> <li>• Interest in environmental destinations</li> <li>• New media for communications</li> <li>• Growth in destination weddings</li> <li>• Growth in worldwide population of 'wealthy' individuals</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Global/US economy downturn</li> <li>• Competition from new destinations/products</li> <li>• Softening cruise market in Caribbean</li> <li>• Cuba opening up</li> <li>• Global warming and impact on environment</li> <li>• Growth in environmental concern</li> <li>• Global security/environmental disasters</li> <li>• US passport regulations</li> <li>• Growing congestion in Cayman</li> <li>• Declining appeal/erosion of exclusive image</li> <li>• Increasing infrastructure costs</li> <li>• Homogenisation of culture/lack of distinctiveness</li> <li>• Moving down market with lower economic return</li> <li>• Environmental damage to beach and reefs</li> <li>• Poor development/environmental control</li> <li>• Lack of investment in the quality of the experience</li> <li>• Continuing imbalance in labour supply</li> <li>• Lack of policy co-ordination</li> <li>• Any decline in internal safety and security</li> <li>• Lack of industry co-operation</li> <li>• Hurricane season</li> </ul>

## 6. A STRATEGY FOR THE FUTURE

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In the previous pages we have looked at the current state of tourism in the Cayman Islands and the challenges it faces. This section highlights our main conclusions and recommends a way forward in the light of the previous NTMP and our consultations for this review.

### 6.1 Tourism in the Cayman Islands; a changing situation

Tourism has brought substantial benefits but it has also brought about many changes to the Cayman Islands over the past 25 years. Until recently, the Islands have managed to absorb this activity without the major environmental and social problems that have occurred in some destinations. These pressures are now more evident in the Cayman Islands and need to be addressed, for the benefit of tourism as well as the local community.

The issues which this Policy Plan has to address are what level and nature of tourism activity is right for the Cayman Islands and how can tourism best be managed to ensure the right balance is maintained between the economic, environmental and social impacts over the next five years and beyond.

In seeking to answer these questions we need to consider three things:

- The market potential for growing tourism;
- The Cayman Islands' capacity to absorb tourism activity; and
- What do Caymanians want from tourism?

### 6.2 Can the market drive further growth?

Cayman has been successful in developing tourism over the past 30 years. Although no-one can say with any certainty what the cumulative impact of the tourism drivers will be on Cayman Islands in the future, it would appear that the outlook for global tourism is still promising and there is potential for the Cayman Islands to capture a share of this larger market. However, there are serious provisos:

- Visitors are more environmentally aware; they are thinking about their carbon footprint and many are looking for the same ethic in their destinations;
- Security - and perceptions of security - from crime, terror and natural disasters must be maintained;
- A sense of 'tiredness' in the Caribbean product may be emerging in both the cruise and stayover sectors;
- The opening of Cuba may raise the profile of the Caribbean but will almost certainly be a major competitor to the Cayman Islands;
- Traditional competitors (the US mainland resorts, Hawaii, Mexico and other Caribbean destinations) will remain but competition is growing rapidly, particularly from the Far East;
- These competitors are raising expectations and setting new quality benchmarks against which Cayman will be judged;
- Visitors are looking for new, different and distinctive experiences, to indulge special interests and have more active and enriching holidays. Even sun-seekers want to do more than just lie on a beach;
- Niche markets are becoming important supplements to traditional source markets; and

- The rich are getting richer and can afford to make these demands – or go elsewhere.

In this context, there is no guarantee that the Cayman Islands stayover market will reach its previous peak. It is proving slow to recover after Hurricane Ivan whereas the cruise market may have reached capacity, constrained by the infrastructure and/or public policy. Even pre-Ivan, the decline in stayover visitor numbers from previous peaks was evident. There was a concern then about a tired product compounding the long-held perception of poor value for money.

Cayman displays the classic later stages in the 'tourist area life cycle' whereby a destination goes through periods of growth (exploration, involvement, development and consolidation) before reaching a point of stagnation and then decline – or rejuvenation. It might be argued that 'rejuvenation' has already occurred through cruise; the loss of stayover visitors has been countered by a rapid increase in cruise ship passengers. But, as stated above, this has brought its own problems and there may be an external capping process as operators feel the quality of the experience is deteriorating for their passengers.

It is down to Cayman to make sure the rejuvenation process is sustainable over the long-term by making some hard decisions now and focusing on maximising value through providing a distinctive, high quality product and promoting it effectively. Quality and service levels will overcome price constraints.

Change won't happen overnight and is often hidden at first. Some groups of visitors may return year after year seeking much the same holiday experience suggesting little need to alter things. The danger, however, is that as this group ages and gradually fades away there will be no-one to take its place as the natural successors will have become used to taking holidays elsewhere, based on higher expectations.

It is essential, therefore, in drawing up the strategy that we look ahead, not just to the problems of the next season but to the changing horizon of tourism over the next five years – and beyond. If Cayman cannot adapt to deliver what the new market wants then it will lose out to other places that can.

### **6.3 How much tourism can the Cayman Islands take?**

Tourism in the Cayman Islands is heavily concentrated in George Town and Seven Mile Beach. This area has changed beyond all recognition in the past 25 years and there are indications that the scale and nature of development is beginning to deter visitors. *"Tourists are beginning to indicate that the level of development in certain parts of Grand Cayman is a disincentive for them to return."*<sup>58</sup>

In terms of visitor accommodation and facilities, there is scope for new high quality redevelopment in George Town and Seven Mile Beach as long as this is in conjunction with enhanced public space and access. This should have priority over new, additional, development that will reinforce the sense of over-development and congestion in this part of Grand Cayman.

West Cayman also receives all the cruise visitors. In terms of infrastructure and community acceptance, there are times when capacity is exceeded. On certain peak days, the impact is deemed excessive by most stakeholders, including many cruise operators. There is physical scope to grow the sector off-peak but this may not be

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<sup>58</sup> Vision 2008, A guide, pg 21.

possible for operational or market reasons. Capacity will be maximised and – more important - the visitor experience enhanced, with better management of visitors in George Town and at key attractions.

Beyond west Grand Cayman, tourism has had relatively little impact as yet. There is scope for new development in the Eastern Districts and the Sister Islands as long as it is accepted that additional capacity will mean more imported staff. Any such development has the crucial proviso that the nature and scale of such development is well planned, of high quality, is built in the context of a new environmental code, is designed with a distinctive Caymanian character of its own and sensitive to the environmental constraints of the site and its terrestrial and marine surroundings. It is imperative that development in the Eastern Districts and on the Sister Islands learns the lessons of Seven Mile Beach; that new development does not sustain "just another Caribbean island". This is something which is of concern to both Caymanians and visitors.

#### **6.4 What do Caymanians want from tourism?**

Tourism is not an end in itself. The Cayman Islands want tourism because of the economic benefits and its contribution to improving the quality of life for its citizens:

- It is an important economic sector, generating wealth for the whole country, supporting local and other businesses and jobs;
- It supports a range of services and infrastructure and makes the Cayman Islands a better place in which to live and work; and
- It presents a positive image of the Cayman Islands to the outside world.

Tourism has brought investment to the Islands. Increasing tourism (volume or value) would generate more direct revenue, but this is not all net gain to Cayman as labour and other resources have to be imported and a significant proportion of wages and profit flow out of the country.

Tourism also generates revenue for the government via accommodation and departure taxes, work permits, import duties etc although it also requires significant Government support in terms of spending on marketing and infrastructure projects.

A significant decline in tourism would have economic repercussions and weaken the ability of the Cayman Islands to maintain current levels of services for its citizens unless some other form of revenue could be substituted.

Whilst recognising and welcoming the economic benefits the tourism industry brings, Caymanians clearly have concerns about the impacts of tourism and associated development on the culture and character of the Islands.

*"There is a growing impression within the community that certain types of commercial development have been allowed to proceed at a pace and in a direction which is not increasing the quality of life of the local population. The community would like to see economic development in balance with the needs of our natural and built environments, the Caymanian workforce, and the social fabric."*<sup>59</sup>

The previous NTMP highlighted the concern for the impact of tourism on the marine and terrestrial environment, congestion and over-development at the west end of Grand Cayman and the proportion of non-Caymanians in the workforce.

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<sup>59</sup> Vision 2008, A guide, pg 20.

As part of the consultation process for this Plan, a survey was undertaken to establish whether these concerns still prevailed and whether any new issues had arisen. The main findings from 200 respondents are summarised in Table 6.1<sup>60</sup>:

**Fig 6.1: Summary of public consultation survey**

<p>Greatest priority should be given to Objectives 3, 1 and 4 in the previous NTMP i.e.:</p> <ul style="list-style-type: none"> <li>• Adopt a sustainable approach to tourism development;</li> <li>• Provide a high quality product for the visitor; and</li> <li>• Protect and enhance the marine resource.</li> </ul> <p>The current major tourism issues/challenges are:</p> <ul style="list-style-type: none"> <li>• Control of cruise numbers;</li> <li>• Preservation of natural resources;</li> <li>• Control of costs and prices in the Cayman Islands;</li> <li>• Cost of access to Cayman;</li> <li>• Getting more Caymanians into the industry;</li> <li>• Control of development;</li> <li>• George Town;</li> <li>• Quality of service; and</li> <li>• Control of crime and safety.</li> </ul> <p>The main opportunities identified were:</p> <ul style="list-style-type: none"> <li>• Focus on sustainable development;</li> <li>• Promotion of Cayman culture and heritage;</li> <li>• Developing new and alternative forms of tourism;</li> <li>• Improving air access.</li> </ul> <p>In answer to some specific issues:</p> <ul style="list-style-type: none"> <li>• 84% felt there was a need to control cruise ship arrivals to reduce negative impacts, largely because of the problems caused in George Town and Seven Mile Beach;</li> <li>• 81% felt there was a need to control new accommodation development in order to avoid over development;</li> <li>• There was strong support for more education, better pay and increased awareness to encourage more Caymanians to enter the tourism industry;</li> <li>• There was strong support for law enforcement and management as a means of protecting the marine environment;</li> <li>• There was support for a range of initiatives to manage and protect sensitive sites on land including law enforcement, raising awareness of the need to protect and development control;</li> <li>• There was less certainty about the need to re-organise tourism with a large proportion of respondents unsure.</li> </ul>
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These results, albeit from 200 responses, reinforce the view that the local community is looking for more and better control on the tourism sector. Decisions about the future size and nature of the tourism industry need to be evaluated in this wider economic and social context.

## 6.5 The way ahead

Three scenarios can be envisaged:

- **‘Do nothing’**. Under this scenario, Cayman continues as it has done for the last 25 years. This was a period of rapid growth in tourism (until Hurricane Ivan) which was characterised as unconstrained expansion with unmanaged development of accommodation and the cruise sector.

<sup>60</sup> Full results of the survey and summary presentation are available separately.

- **'Managed growth'**. Under this scenario, a pragmatic line is drawn in the sand based on existing commitments in accommodation development and current thresholds for cruise ship passengers until, and if, the industry can be developed and managed satisfactorily. There will be a commitment to the management and sustainable development of tourist facilities. This will involve high quality infrastructure, better distributed across the Islands, and management of visitors in George Town and key sites.
- **'Cutting back'**. Under this scenario, the decision is made that the development of tourism on Cayman has gone too far, that the environmental and social damage is unacceptable and previous decisions need to be reversed. A lower cap of, say, 9,200 passengers/day is restored and implemented and planning consents for new accommodation and undeveloped sites are reviewed.

The 'do nothing' scenario was not considered desirable or sustainable in the previous NTMP and this view is still relevant post-Ivan:

- The previous signs of over-development still persist and in some cases, the situation has worsened leading to further loss of appeal. Further unmanaged growth in visitor accommodation may only have a marginal impact in the context of wider development impacts but there is no reason to contribute to that impact;
- The uncontrolled growth in cruise ships arrivals has now reached a point where the quality of the experience for cruise passengers on peak days is unacceptable. Further growth in the number of peak days will exacerbate the situation; and
- There is no enthusiasm or support amongst those consulted for a major expansion of tourism. Uncontrolled growth could lead to social tensions and resentment.

These considerations dictate the need for a policy of control backed up by good planning and management with appropriate, justified thresholds or limits for development. Although many would argue for a 'cutting back' scenario, this is likely to prove impractical given current commitments and contrary to Ministerial policy. A 'managed growth' scenario is the pragmatic and most realistic approach. The Cayman Islands can not stand still but development must be based on sustainable principles related to demand, protecting the environment and community aspirations. The future lies in adapting, developing and managing the product to create an exceptional experience for visitors and maintain the quality of life for Caymanians.

The overall Goal and Strategic Aims are set out below.

**Fig 6.2: NTMP Goal and Strategic Aims****NTMP GOAL**

The Cayman Islands will provide a distinctive, high quality, good value experience for all visitors, which draws on and supports the Islands' individual character(s) and enhances the Islands' image and reputation. The goal is a thriving and sustainable sector of the economy which will continue to create wealth for the local community; a sector that is sustainable in terms of the Cayman Islands' environment, the local community and the local industry.

**STRATEGIC AIMS**

- In marketing terms, positioning the Cayman Islands as a distinctive, quality Caribbean destination for the discerning visitor. Tourism in the Cayman Islands should be predicated on increasing the value rather than volume of visitors.
  - In product development terms, the priority is a sustainable and attractive natural and built environment as a setting for a sustainable and exceptional tourism product. This will involve improving the quality of the Cayman experience for stayover and cruise passengers. The focus must be product enhancement with selective development, enhanced airlift and better visitor management in George Town and at key attractions.
    - In economic terms, this means delivering a unique Caymanian experience for which people are willing to pay a premium;
    - In community terms, it means developing a product that fits in with the local way of life; and
    - In environmental terms, this means developing and operating tourism with regard to global and local responsibilities.
  - In target terms, the aim should be:
    - To restore stayover visitor numbers to 2000 levels of circa 350,000 visitors per annum by 2012 i.e. circa 6% per annum but with a proportionally higher growth in expenditure levels of, say 7-8% per annum<sup>61</sup>;
    - To reduce the impact and enhance the experience of cruise visitors by controlling passenger arrivals at current levels and not exceeding 15,000 visitors on any one day whilst a more detailed analysis of proposed infrastructure and related management is undertaken; and
    - Thereafter Cayman should assume modest and sustainable growth in line with the capacity of the Islands' resources i.e. a long-term growth rate that is sustainable, manageable and measured, monitoring environmental, social and economic impacts.
- Other targets should include:
- Increase the proportion of Caymanians working in the hotel and restaurant sector from, 36% to, say 50%;
  - Increase satisfaction levels of visitors based on survey benchmarks to be established.

We have called this new NTMP '**A New Focus**' as it involves a new focus on sustainable development and will require a new focus and commitment by all concerned with the industry on the Cayman Islands.

<sup>61</sup> This growth rate is higher than in the previous NTMP (4-5%) but the base is now considerably lower post Ivan.

**Fig 6.3: A Vision of tourism in the Cayman Islands, 2012**

*"The Cayman Islands is the Caribbean's most prestigious destination - for discerning stayover and cruise ship visitors. A sustainable balance has been found between the two segments of the market. The Islands become a leading destination for family holidays, destination weddings and retain their reputation for world-class water sports with distinctive charm, a diverse product, a warm welcome and a secure environment.*

*"George Town offers a vibrant, attractive town centre, with superb shopping, eating out and entertainment focused on the attractively re-developed waterfront. The buzz of a high class resort (the 'Monaco of the Caribbean') extends through the west end of Grand Cayman, where the beautifully refurbished and upgraded holiday accommodation sits within attractive landscaped areas. This hub of activity is in contrast to the rest of Grand Cayman and the Sister Islands which offer a quieter, more relaxed environment where small-scale but high quality tourism activity prevails and the character of each island is preserved and promoted. New development everywhere is carefully managed to maintain both performance and quality of development; providing excellent value at all standards of provision. Throughout the Islands, sustainability is the watchword; most of the visitor accommodation has 'green' accreditation.*

*"Diving remains a mainstay of the industry, carefully managed and monitored to retain the quality of the experience, but other environmentally-based attractions and outdoor activities have been developed including hiking, cycling, riding, climbing, kayaking and bird watching. Cultural attractions and events have been developed to showcase local talent and heritage. Cayman is 'the' place to be married and is a regional centre for meetings and incentive travel; both add new high value dimensions to the Cayman tourism offer.*

*"All these activities and the wide range of top quality accommodation are well-managed by first-class operators offering premium products. The standards of service have risen and the local population not only values the contribution the sector is making to the quality of life but is also keen to become involved, as owners and employees. Everyone takes pride in presenting the Cayman brand to appreciative visitors.*

*"The tourism industry works collaboratively to sustain this standard of product and service, meeting the needs of customers and local residents, maximising the benefits of tourism for the Islands as a whole."*

## **6.6 Turning the strategy into action**

To make this vision a reality we have re-structured the original nine policy objectives to provide a new framework for a range of detailed Action points. The key policy objectives, with some inevitable overlaps, are to:

- Sustain the quality of the environmental product;
- Manage the visitor and their impacts;
- Provide a high quality, sustainable Caymanian tourism product;
- Manage the Sister Islands as destinations for nature-based tourism;
- Develop a highly skilled, Caymanian tourism workforce;
- Attract a more discerning and higher spending visitor;
- Research and monitor tourism more effectively; and
- Organise tourism in the Cayman Islands more effectively.

Chapter 8 covers implementation of the NTMP.

## 7. POLICIES AND PROPOSALS FOR ACTION

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### 7.1 SUSTAIN THE QUALITY OF THE ENVIRONMENTAL PRODUCT

#### **The policy objective**

*To respect the importance of environmental quality not only as part of the nation's global responsibility but also because the marine and terrestrial environment is the main driver for tourism in Cayman. The aim is to support a tourism sector which is sustainable and capable of flourishing over the long term.*

Tourism can only bring real and lasting benefits to the Cayman Islands if it enables the industry to perform profitably without overwhelming the local population, degrading the natural environment, or ruining its intrinsic character and appeal.

Sustainable development is at the top of the global agenda and the impact that tourism has on the environment is under a focussed spotlight in this regard. Tourism activity might only be responsible for a limited impact on the environment in comparison with the total impact but that does not abrogate responsibility<sup>62</sup>. It is also increasingly important that every destination takes its environmental responsibilities seriously because in marketing terms, potential visitors are looking more carefully at the environmental credentials of their proposed holiday before booking.

Notwithstanding these responsibilities and marketing opportunities/constraints, tourism has always been driven by the quality of the environment whether it be the appeal of clear waters and coral reefs, the urban quality of city centres or the natural attractions and outdoor activity in a National Park. The environment is tourism's main attraction and that is the case in Cayman; the conservation of the marine environment, the landscape and enhancement of the quality of the urban areas are tourism as well as environmental imperatives. There are already concerns that deterioration of the environment is impacting on visitor perceptions; the state of the reefs, over development in west Grand Cayman and the quality of the built fabric<sup>63</sup>. There is also a concern amongst the local population about the scale and nature of development and its impact on the local way of life. Tourism has been a contributor to this change in the character of the Islands, compounded by the poor management of large volumes of cruise ship passengers. These arguments were highlighted in Vision 2008<sup>64</sup>.

The Cayman Islands' appeal for tourism lies in the quality of the (marine) environment, relaxed way of life and special character. These are invaluable, finite assets and once lost cannot be re-created. The Cayman Islands cannot and should not try to compete with the major resort destinations; it has to find a different path.

There will have to be some development and re-development if the Cayman Islands product is to remain fresh and competitive. However, the time has come to take a more considered and strategic approach to new development on the Islands to ensure that it is generating real net benefits, is heading in the right direction, and does not degrade the social fabric and natural environment.

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<sup>62</sup> The CTO and CHA are looking at a strategy for 'carbon-neutral' tourism in the Caribbean.

<sup>63</sup> Many residential sites remain part-developed.

<sup>64</sup> Strategies X and XI, Vision 2008.

More specifically, water sports are the core tourism product in Cayman and any damage, real or perceived, to the quality of the marine environment could be drastic to the whole industry. Protection of the coral reef systems and beaches surrounding the Cayman Islands must be a priority for the long-term sustainability of the industry.

**Policy priority areas**

- To develop a new approach to planning
- To prepare development guidelines for tourism zones
- To institute environmental impact assessments for major tourism projects
- To initiate protection for Environmental Areas
- To develop a Cayman design guide
- To prepare a regeneration plan for George Town
- To review the quality of the public realm

### **7.1.1 A new approach to planning for tourism**

Planning for tourism needs to involve both specific tourism land-use development and tourism activity in general. Tourists use a wide variety of facilities including local shops, restaurants and other services as well as specific tourism attractions and accommodation. More significantly, many tourism related activities are not subject to traditional development planning and control e.g. general sightseeing in towns and visiting beaches. If the opportunities of tourism development are to be capitalised upon and the potential negative impacts ameliorated, a broader-based approach to managing change, involving a wide range of stakeholders, will be required.

Effective planning for tourism should not, therefore, be concerned simply with new tourism land-uses but must involve the management – and control - of all development and activities that go to make a tourism destination. Land-use planning remains part of this process but it is just one of a range of potential policy tools for managing tourism. Planners and CIDOT need to work closely together and with other departments, all within the context of the sustainable development agenda being developed by the Sustainable Development Unit at DoE. The new draft goals for the Development Plan Review suggest this approach is in mind.

**Action point: Coordinate agencies to ensure an integrated, consistent approach to the development and management of tourism i.e. planning in its broadest sense.**

### **7.1.2 Development guidelines for tourism zones**

Notwithstanding the importance of broader management, land-use planning is still a crucial tool in the control of tourism and its perceived impacts.

In general land-use terms, the Development Plan will delineate zones where tourism and other land-uses will be allowed and indicate the broad scale and nature of development allowed. Given the concern about over-development in West Grand Cayman and its proliferation to the rest of the country, it is now necessary to review current planning commitments, encourage integrated planning in clusters, seek opportunities for mixed use development and assess the need for any re-zoning.

In more specific tourism terms there is a need to:

- Limit any new allocations for future tourism development, pending a detailed review of need, including residential/condo unit capacity and projected tenure<sup>65</sup>;
- Review the planning guidelines for the various tourism zones and provide more specific guidance about the preferred form and structure of development; and
- Define clear setbacks (and rights of public access to the beach) for coastal development sites based on the line of natural vegetation. Coastal development setbacks, post-Ivan, are now more important to prevent and mitigate hazards, including possible sea level changes.

Consideration should be given to four distinct areas that will require different forms of tourism development - and related planning proposals i.e.:

- Seven Mile Beach/West Bay will remain as the high density, accommodation, and activity focus for the Cayman Islands but plans need to be reviewed in terms of the desirability of further development in this congested area, building heights/densities, the opportunities for better visitor management (see below) and the need for environmental enhancement;

The previous NTMP recommended a moratorium on new hotel development in the west of Grand Cayman until overall occupancies had recovered. This was never implemented. Given the loss of hotel accommodation stock post-Ivan, there is no longer the need to control hotel development and hotel occupancy levels have recovered to pre-Ivan levels. Indeed, new, high quality development should help drive up standards and attract a new market.

- George Town is considered separately below.
- The Eastern Districts, (Go East) where new development of a suitable scale and style is to be promoted. The Go East initiative needs a cohesive, unified vision and planning guidelines as a matter of great urgency. Local stakeholders need to determine specifically how best to preserve the Cayman experience and to extend the benefits of tourism to communities within the three Eastern Districts without destroying the very things that make the individual districts different and the region special. The development mistakes of west Grand Cayman should not be repeated. There is a need to review capacities and develop guidelines e.g. promoting clusters to avoid contiguous ribbon development along the coast, identifying the appropriate scale and nature of tourism developments and activities.

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<sup>65</sup> Clearly, these tourism-related issues need to be reviewed in the context of general residential development, only part of which will be made available for visitor accommodation.

**Go East: Taken from CIDOT Discussion Document, March 2006**

Tourism development guidelines for tourism zones should be prepared to inform developers as to the overall framework and the nature and scale of tourism projects that are likely to be permitted (including coastal development setbacks). These should reflect or include:

- The local aspirations for high quality, small scale developments;
- The enabling of local residents to be involved in the planning process, conserve their way of life and gain benefit from such development;
- The opportunities for 'green' development;
- The many unique, authentic characteristics of the Eastern areas; the hospitality, rich culture and heritage, culinary and maritime traditions, farming etc;
- The potential development of scale-appropriate visitor accommodation, tours, attractions, sites, activities, retail, services and food outlets that fall within one the following areas: (a) nature or ecotourism, (b) health and wellness tourism, (c) adventure tourism, (d) agri-tourism and (e) community based tourism which would attract a discerning, socially responsible, higher spending visitor and help strengthen ties between visitors and their host communities;
- The need for smaller geographical zones for tourism activities to preserve the balance between residential and tourist zones with appropriate planning and environmental policies;
- Those areas which are environmentally sensitive and/or culturally significant;
- Visitor access plans for designated protected areas;
- Guidelines for structures and materials used for development, e.g. buildings should not exceed two storeys to maintain village charm, especially along the waterfront and scenic roadways. Traditional architectural styles and indigenous landscaping should also be encouraged (perhaps incentivised by reduced Government fees);
- The need for improved public transportation services;
- The need for DOT and CIIB to work together to support local agricultural private sector and other local produce initiatives and help promote links with the tourism sector;
- The enhancement of local TAB attractions; and
- A framework for managing the initiative, including a method of measuring success and monitoring impacts in accordance with the vision.

- The Sister Islands where sensitive development of small scale accommodation and tourism activities would be appropriate. (See 7.4 below)

These sub-regional plans need to be driven by the planning and tourism departments working together to provide guidance to developers as to the overall framework and the nature and scale of tourism projects that are likely to be permitted.

**Action point: Review need, capacities and commitments for tourism development and prepare Master Plans with development guidelines for West Grand Cayman, the Eastern Districts, the Sister Islands and relevant sub-areas.**

**Action Point: Fast-track the objectives, guidance and planning for 'Go East'.**

### 7.1.3 A regeneration plan for George Town

This project is inextricably linked to the visitor management plan for George Town (7.2.1) but is focused on the physical fabric of the capital.

The George Town waterfront is a focal point for the Cayman Islands and for many visitors, particularly cruise ship passengers, it is the abiding image they take away with them. The Central Business District is also the hub of the financial sector, the focus of business (and business tourism) and the place of employment for a large number of people. Whilst there are some attractive and traditional buildings still remaining, such as the museum and church, the quality of the public realm is poor. Much of the waterfront and CBD/retail area lacks character with little public open space and undistinguished architecture. Harbour Drive cuts off the town from the waterfront and the level of traffic and narrow sidewalks make it a hazardous and unpleasant place to linger. There have been experiments with road closures and a Beautification Group has been established but a more concerted approach is required to create an attractive destination for visitors, workers and other residents. This is a missed opportunity as much as a weakness. Camana Bay will compete as a new mixed-use focus for tourism and commerce.

George Town should be a jewel in the Cayman crown, a natural focus and a place in which everyone can take pride. As a matter of urgency, a regeneration plan should be drawn up for George Town. This should bring together all the relevant interests including tourism and commercial interests in the town centre, the Port, the planning and transport agencies and the local community. A Town Centre Manager has now been appointed.

These parties should work together to address the following issues:

- Development guidelines including scale, format and design of new development;
- Encouragement of mixed use developments including hotels, restaurants, residential and a wider variety of retail;
- Co-ordinated development of the public realm through public and private sector contributions;
- Analysis of pedestrian and traffic flows in order to review:
  - Parking provision;
  - Pedestrianisation opportunities and sidewalk widening;
  - Street calming, pedestrian crossings, disabled access;
  - Creation of public spaces with seats and shading.
- Establishment of a pedestrian waterfront promenade as part of the port redevelopment plans and improved pedestrian/cycle access to Seven Mile Beach and Smith's Beach;
- The introduction of high quality hard and soft landscaping, including feature lighting, locally themed street furniture, shade areas and signage, public washrooms, drinking fountains etc;
- Reducing visible public utility infrastructure e.g. phone and electricity cables;
- Maintenance and decoration of buildings and public spaces;
- Enhanced presentation of important sites such as Hero's Square, the Fort and fish market;
- Higher profile for the craft stalls/market area; and
- Public art and animation through local (cultural) events.

**Action point: Establish joint forum to:**

- **Prepare environmental audit of George Town;**
- **Prepare master plan in conjunction with the proposed cruise management plan (7.2.1) and local design guidelines; and**
- **Implement improvements.**

#### 7.1.4 Environmental impact assessments for major tourism projects

Some projects can have a major impact on the local environment. All major tourism projects should be subject to an impact assessment as part of the planning process to enable a more considered judgement on environmental and social impacts to be made. CIDOT should be formally involved in this process. Provision is made for EIAs in the draft Conservation Law and the draft Planning Statement.

The impact assessment for any major tourism development should include the following questions:

- Is the development in line with tourism policy and product development and market priorities?
- What are the net economic benefits to the Cayman economy and exchequer and what are the costs?
- What are the employment implications and how are these to be met?
- How will it impact on existing tourism enterprises?
- Is the scale and nature of development in line with the development plan for that area? Does it impact on the character of Cayman?
- What are the impacts on the local environment in terms of visual amenity, disturbance, pollution, energy use, waste disposal, traffic generation etc?

**Action point: Embed the requirement for EIAs within the Development Plan and Conservation Law for major projects, including the need for consultation with CIDOT.**

#### 7.1.5 Environmental Protection Areas

Parts of the Islands are so important and so sensitive in terms of their landscape, flora and fauna that they need special protection from development and other forms of exploitation. In some cases, public access may not be permitted but others such as Barkers offer the opportunity to promote a new, distinctively Caymanian visitor experience. These areas would be a significant tourism resource and add to the range of things to do and see if conserved and managed for access by residents and visitors. Visitor access plans should be an integral part of the Protected Area process.

At present, whilst some progress has been made in the marine environment there is no such protection for areas on land. The draft Conservation Law specifies that the Government can designate an area of Crown Land as a protected area. The draft Planning Statement refers to the establishment of an Environmental Overlay Zone.

Concerns about beach erosion on Seven Mile Beach and elsewhere need to be addressed with action co-ordinated and supported at a national level. This is a threat to one of Cayman's major resources. Consideration need to be given to:

- Intervention where possible to remove or adapt offending structures;
- Clearer set-backs defined for future development (see above);
- Replenishment and stabilisation of sand; and
- Preparation of a contingency plan for an emergency situation.

**Action point: Embed a national system of protected areas for sensitive environmental areas within the legislative framework (Conservation Law, Development Plan)**

**Action point: Co-ordinate support and prepare action plan to deal with the issues of beach erosion.**

### 7.1.6 A Cayman design guide

The design of buildings and landscaping has an enormous impact in creating a sense of place and contributing to the quality of the experience. In the modern world, a bland universal architecture is replacing vernacular buildings and use of local materials making everywhere look much the same. This is true in parts of Grand Cayman where new development has lacked distinction.

Nevertheless, there are still vestiges of local character remaining in many parts of the Islands and in the smaller, older buildings which help make Cayman seem subtly different from other places. This is a valuable resource for Cayman; it needs to be protected before it disappears and lessons need to be learned.

There should be a new, more creative approach to design which seeks to ensure that Cayman retains a distinctive feel and character. This initiative, which is endorsed in the draft Planning Statement, is about:

- Protecting older buildings and 'Heritage Zones' with a distinctive character from thoughtless redevelopment;
- Developing guidelines for new architecture and urban design i.e.:
  - Establish traditional Caymanian Architectural Guidelines which guide applicants in the design and construction of traditional residential forms. Develop a density bonus scheme to facilitate traditional building design<sup>66</sup>; and
  - Require residential subdivision design that embraces and celebrates Grand Cayman's natural environment by retaining natural vegetation, key landscape features and environmentally significant elements<sup>67</sup>.
- Creating a distinctive public realm (see below) including the development of distinctive new street furniture, shop signs, bus stops, signing and use of local sculpture.

Larger, iconic buildings will require special treatment but developers must be required to address local design guidelines (modern or traditional interpretation), aspire to the highest possible standards of architectural design and contribute to the public realm.

Guidance should also involve advice and regulations to encourage more sustainable construction methods, materials and fittings. A Cayman Islands Building Code (CIBC) Review Committee is to be established to review the current Code vis-à-vis adopting the International Code with modifications to suit local conditions.

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<sup>66</sup> Including the use of traditional building materials, decoration and building forms such as carved wooden finishes, red zinc roofs, verandas etc.

<sup>67</sup> E.g. Use of indigenous plants such as mahogany trees and sand gardens in landscapes.

**Action point: Institute new regulations to list and protect buildings and neighbourhoods of special interest.**

**Action point: Develop a formal design guide for the Cayman Islands which will act as a reference point for all new development, including tourism development.**

**Action point: Institute an environmental building code within local building regulations.**

### **7.1.7 The quality of the public realm**

The quality of the public realm elsewhere in Cayman is poor. This is becoming an increasingly important issue in all major destinations, particularly resorts, and cannot be understated. We refer specifically to central George Town above but there is an urgent need to raise the environmental quality of, and enhance visitor management in local centres throughout the country. Local communities should be encouraged to take an active role in these local projects.

**Action point: Establish joint forum to:**

- **Prepare environmental audits for all local centres;**
- **Prepare plans based on local design guidelines; and**
- **Initiate implementation of improvements.**

## 7.2 MANAGE THE VISITORS AND THEIR IMPACTS

### **The policy objective**

*To ensure that visitor management is achieved efficiently and effectively for the benefit of the visitor experience and to help protect the quality of the environment.*

The justification for this policy objective is similar to that for Policy Objective 1 but visitor movement needs to be managed as well as new development if potential impacts are to be minimised.

At present, there are a number of key pressure points within the destination. These are causing considerable concern and need urgent action as they are significantly affecting the quality of the visitor experience:

- Arrival at the port;
- Arrival at the airport;
- Moving around the Islands;
- Congestion at the honeypot sites; and
- In the water.

With the exception of the airport, much of the pressure comes from the large volume of cruise passengers. The various action points referred to should therefore be seen holistically as a visitor management plan for cruise passengers. Until an integrated visitor management plan is established, there is a need to control the number of cruise ship passengers.

### **Policy priority areas**

- To manage cruise arrivals
- To manage air arrivals
- To facilitate access around the island(s)
- To develop a marine tourism management plan
- To enhance the visitor experience at the beaches and other main attractions

### 7.2.1 Arrival at the port; managing cruise passengers

Cruise passenger numbers have grown rapidly with no co-ordinated infrastructure planning or visitor management. Arrivals are now around 2m/year often with 15,000+ visitors per day on the peak midweek days. On these days, cruise passengers are confronted by:

- A lengthy tendering process (see 4.2) restricting the amount of time available on shore;
- An unappealing approach with unattractive fencing, commercial port workings, touting operators, few amenities, little information and a hazardous marshalling area;
- Transport shortages and severe congestion in the compact downtown George Town and at the popular attractions.

The whole experience creates a very poor impression for visitors and an unsafe and unattractive environment for all<sup>68</sup>.

<sup>68</sup> Many other Caribbean destinations have, or are, investing heavily in improved cruise infrastructure and the guest experience.

Cruise passengers make a financial contribution by way of taxes and expenditure. A large number of local businesses (and jobs) have grown up to support the cruise business. There is also the chance of converting some passengers to stayover visits in the future<sup>69</sup>. However, there is evidence from the survey and other consultations that this uncontrolled growth is having an impact on stayover visitors, residents and, more recently, the cruise passengers' experience. Cruise operators refer to 'poor quality ports' as one of the causes of the softening regional market in the Caribbean and they are searching for alternatives.

There is little doubt that the growth of cruise has substantially impacted upon the nature of Grand Cayman. A balance has to be struck. There are different views on where the fulcrum is for this balance. There are those who feel it has gone too far and others who say that there has been too much investment by locals to pull back now and it just needs to be better managed. The full implications are hard to define but at current visitor levels and with current management practices, the impact is increasingly negative on both sectors of the Cayman tourism industry – and on the local community.

Notwithstanding these differing views, there is now a firm Government commitment to cruise and an obligation to facilitate up to 15,000 passengers per day through the port. Even this figure is exceeded on around 20 days per year.

There is clearly an urgent need for a major visitor management initiative to consider these issues, to ameliorate the situation in George Town and at the excursion destinations, enhance the visitor experience and thereby increase the potential benefits for Cayman. Philipsburg in St Maarten offers a good example of pro-active visitor management and enhanced visitor experience for the cruise sector.

Visitor management is going to involve careful physical design of the new port/berthing area and George Town (see 7.1.3 above) as well as traffic and people management in order to create a high quality, safe and efficient visitor experience. A parallel visitor management plan will be required for Spott's Bay to include facility upgrade and opportunities for new itineraries in the Eastern Districts.

At present, there are reported plans to create berthing for four ships (subject to EIA) and an environmental enhancement plan for George Town. It is imperative that these two initiatives are integrated to create a visitor management plan that should include:

- Assess the extent of the management problem through measurement of traffic and pedestrian movements and qualitative attitudinal surveys of residents and visitors;
- Consideration of physical capacity at George Town and Spott's<sup>70</sup> in conjunction with all stakeholders i.e. infrastructure and environmental parameters at the ports, transportation and range and capacity of attractions;
- Physical development/layout priorities and implications for the cruise port terminals including berths, taxi and bus collection areas and circulation, roads, parking, public amenities and service areas;
- Plans for the commercial port;
- Regeneration of George Town (see above);
- Enhanced visitor reception facilities including:
  - Environmental improvements at the port with welcome signage;

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<sup>69</sup> 29% of cruise passengers stated they were very likely to return to the Cayman Islands within 3 years on a stayover vacation. Around 12% of stayover visitors had cruised to the Cayman Islands before and 14% of cruise passengers had visited the Cayman Islands before by air.

<sup>70</sup> At Spott's, there are access (for tenders) and safety issues to consider i.e. marking the reef and swimming from the beach

- Immigration/security arrangements;
- Amenities including shade areas, seating, restrooms, trash cans, postal service and retail outlets in the port area;
- Managed booths for tour/transport operators clearly identified with tariffs and itineraries; and
- Maps/visitors' guides/signage for passengers embarking.
- Direct, safe access to walking routes, cycle hire, water taxis, public transport and tour operator buses;
- Traffic/pedestrian management in George Town to enable safe street crossings and traffic free areas for pedestrians - and at Spott's to manage traffic safely and facilitate access to the attractions;
- Visitor information services including roving wardens and a centrally located, high quality information centre;
- Training for all front-line staff;
- The development of new, and improvement of existing, public beach access areas in west Grand Cayman (see Public Beaches Project below);
- The enhancement and better management of other tourism honeypots;
- A new marketing plan for the cruise market based on projections for growth (including the implications of Cuba being opened to the US market), the identified capacity thresholds and scheduling through the year, week and day by different operators;
- Marketing initiatives with the cruise sector (staff briefings, onboard TV and literature, packaging new attractions) to promote the attractions of the Eastern Districts (and Sister Islands) for excursions; and
- A pro-active cruise conversion programme with presentations and incentives e.g. the 'Freestay' Caribbean Cruise Conversion programme and Aruba's 'Welcome Back' programme.

The management plan will necessarily involve controlling the number of cruise passengers. The previous NTMP recommendation of 9,200 passengers/day is clearly not going to be adhered to and there is a Government view that 10-12,000 passengers/day would be more acceptable, spread over 4 or 5 days rather than the current three peak days<sup>71</sup>. The scale of the problem and the relevant threshold for acceptable passenger numbers need to be based on a clear understanding of the available and potential new infrastructure, management proposals and more detailed research amongst all stakeholders. However, pending the implementation of the proposed visitor management plan, it would appear crucial to enforce the 15,000 limit to avoid the most severe congestion that occurs on the 20 odd days per year.

**Action point: Form a public/private working group to develop and implement the proposed cruise management plan (linked to George Town Regeneration Plan and Public Beaches Project).**

**Action point: Enforce the current threshold of 15,000 cruise passengers per day pending completion of the cruise management plan.**

### 7.2.2 Arrival at the airport; managing air arrivals

Like the cruise port, the airport terminal is the main gateway and point of first impression for visitors. Like the port, on peak days i.e. weekends, there is an urgent need to enlarge

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<sup>71</sup> Consultation with cruise operators suggest there is little flexibility in arrival days, even with berthing.

and improve facilities and services to ease passenger congestion. There are current proposals for redeveloping the terminal to increase capacity, improve facilities and enable better visitor management. Work is to commence in late 2007. These plans are now committed and the NTMP endorses this commitment. The new infrastructure should be supplemented by:

- An improved information centre. It should be prominent, attractive and have sufficient space to provide a good display of information and orientation on the Island;
- Front-line staff at the airport generally provide an excellent service, based on good training regimes; this must be maintained; and
- The taxi service, however, has been the subject of criticism. General issues are now being addressed through PTB i.e. metering, uniforms, training etc but the specific issue of providing an adequate service at both main airports remains a problem. Attendance, along with other conditions, needs to be integrated into the licence agreements. Elsewhere, the problem has been resolved by hotel shuttle buses although that has been resisted to date in Cayman.

**Action point: Improve terminal facilities at Owen Roberts International Airport with high quality new facilities and enhanced services.**

**Action point: Maintain training and subsequent high standards of service at all gateways to Cayman.**

**Action point: Ensure a first class taxi service from both major airports.**

### 7.2.3 Access around the island(s)

Getting out and about is the best way to experience the Cayman Islands and there is a desire to distribute tourism benefits (from stayover, cruise and domestic tourists) around Grand Cayman. Equally, sites like Pedro and the Botanic Gardens urgently need more visitors. At present, there is little promotion of the areas beyond Seven Mile Beach and opportunities to access the east and north of Grand Cayman and the Sister Islands.

Local information sources (accommodation providers, information centres, car hire firms, public transport operators) need to promote the opportunities more vigorously but promotional efforts need to be supported by on-the-ground infrastructure e.g.:

- Cycle and walking routes within - and out from - George Town and along Seven Mile Beach;
- A nation-wide network of footpaths/trails for walkers, cyclists, horse riders and roadside cycle ways promoted through special events e.g. a walking festival;
- Tourist traffic signs to not only facilitate getting around but also to promote the more distant attractions;
- Better public transport services on Grand Cayman, provided as a service to visitors and residents and as a potential attraction with distinctive 'Caymanian' livery;
- A shuttle bus to Pedro and the Botanic Gardens from the port at George Town;
- More appropriate aircraft for domestic and visitor travel between the three islands (See Objective 7.4).
- Motoring trail(s) linking attractions; and
- Enhanced focal points and related services for visitors at stopping points around the Islands. These should include (improved) public beaches, local heritage and nature sites (see 7.3.3).

**Action point: Develop a network of trails and cycleways throughout the Cayman Islands.**

**Action point: Review public transport opportunities for internal travel by visitors as well as residents.**

**Action point: Improve tourist road signage on Grand Cayman.**

#### 7.2.4 A marine tourism management plan

*“There is a need for more management of diving activities if the most popular sites are to maintain their aesthetic appeal and biological characteristics.”<sup>72</sup>* Management of dive sites is also important to avoid congestion and maintain the quality of the experience for divers. This is particularly relevant to the sandbar at Stingray City where new controls have just been put in place.

Vision 2008 stressed the need for legislation to set annual carrying capacities for dive sites. The industry favours more flexible management techniques e.g.:

- Changing the behaviour of divers/fishermen/snorkellers through environmental education;
- Banning novice divers and photographers from some sites;
- Promoting less well used sites;
- Introducing charges/transferable permits to reduce visitor numbers at sensitive sites (as recommended in Vision 2008 for Cayman Brac); or
- Resting some sites from all diving and/or fishing activities with new substitutes (favoured by dive operators).

The industry is also keen to review access arrangements for water sports operators at public docks and beaches which become congested and difficult to use.

There is also a need to enforce existing Marine Conservation Laws more effectively, notably over-fishing, and to institute recommendations for coastal pollution controls set in Vision 2008. Four new Enforcement Officers posts have been created including an additional Officer in the Sister Islands.

The institution of any management controls must be based on consistent data monitoring and should be promoted in the market as a positive initiative to manage environmental resources and enhance the diving experience. Most visitors are concerned about the environment and want to know what is being done to conserve it. The assistance of the private sector is required to support the work of the DoE.

**Action point: Devise and agree methods for measuring:**

- **Numbers of divers at different sites;**
- **Environmental impacts of diving/water sports;**
- **Other environmental impacts including fishing; and**
- **Diver motivations and satisfaction levels.**

**Action point: Develop a marine tourism management plan to cover all relevant sites and issues, incorporating the visitor management plan for Stingray City/Sandbar.**

<sup>72</sup> J Tratolos and T J Austin, op cit.

## 7.2.5 Visitor management at the public beaches and major attractions

Traditionally, the main attractions for cruise passengers have been shopping and eating out in George Town (see above), swimming/ snorkelling mostly on Seven Mile Beach<sup>73</sup> and excursions to Stingray City and the turtle farm. Visitor pressure and congestion has built up at these points and visitor management is needed to ease the problems and improve the experience. The turtle farm redevelopment as Boatswain's Beach has increased capacity significantly and the new proposals for the Sandbar are important. The situation at both sites needs monitoring. There is also a need to address the pressures and visitor experience at Hell where there may be scope for more creative animation and entertainment.

The infrastructure at the most popular public beaches - signage, parking, restrooms, cabanas, catering, retailing, security, lifeguards, ramps/docks for boats and facilities for the disabled - is inadequate in scale and/or quality<sup>74</sup>. Further investment is needed in environmental improvements and maintenance.

The main problem, however, is when large numbers of cruise passengers arrive at a beach, often trespassing on private property, creating friction with other visitors and residents and spoiling the experience for all concerned including the cruise visitors themselves. Given the reluctance of passengers and tour operators to go further afield, one solution is to create more public beach space in West Grand Cayman that could also be accessible by water taxi from the port. This could be a focal point(s) for formal and informal entertainment to include an events area, restaurants and speciality retailing, access to the beach etc.

This would be a major capital project requiring significant public and/or private sector input but is needed for effective visitor management and the long-term benefits for visitors and residents would be considerable. There are a few potential sites available, including some publicly owned land on the coast. This is now a matter of great urgency as part of the cruise management plan.

**Action point: Prepare environmental enhancement/visitor management plans for all public beaches and other major attractions, notably Hell.**

**Action point: Investigate opportunities for expanding provision of public beaches in west Grand Cayman (linked to cruise management plan).**

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<sup>73</sup> Governor's/Sea Grape beaches and Smith Cove.

<sup>74</sup> Some private sites e.g. Beach Club Colony, Spanish Bay provide for cruise passengers.

### 7.3 PROVIDE A HIGH QUALITY, SUSTAINABLE, CAYMANIAN TOURISM PRODUCT

#### The policy objective

*To offer a range of high quality visitor accommodation, attractions and activities and a level of service that is distinctively Caymanian to attract the discerning, affluent visitor, encouraging them to return and promote the Islands to others.*

Tourism contains the seeds of its own destruction. The more people travel in search of new and different places the more everywhere becomes the same, with the same architecture, same brands, same food and same services, responding to global trends. This is increasingly apparent in Cayman; people who once came to the islands because it had a certain unique quality are now beginning to look elsewhere for 'somewhere different' as they perceive a homogenisation and deterioration in the visitor experience, particularly in terms of quality and local distinctiveness.

It is in Cayman's long term interests to ensure that it retains and develops its own special character. It has to differentiate itself in some way and build an appeal based not only on its unique environment (considered in Objectives 1 and 2 above) but also on the quality of its visitor facilities, services and overall experience. In addition, the theme of sustainability can be capitalised upon; environmentally-friendly tourism facilities will also help distinguish the local product.

The Cayman Islands should be focused on quality (for the cruise and stayover markets); they cannot and should not compete on price but it is essential that they are seen as offering something special that is value for money<sup>75</sup>. Higher product standards will also mean improved business performance and quality of jobs.

Cultural expression will help distinguish the Cayman Islands' tourism product and tourism, in turn, can help advance local cultural life and enhance the quality of life for residents. This is in line with Strategy V of Vision 2008, "to develop awareness of our Caymanian culture". This will involve drawing on the character and personality of the people, the natural and cultural heritage and other resources of the Islands without being artificial or degrading. The emphasis should be on celebrating what makes Cayman different.

#### Policy priority areas

- To become a leader in sustainable practices
- To upgrade accommodation
- To enhance local attractions
- To provide access to arts and culture
- To enhance interpretation of heritage and culture
- To establish a Cayman Pride initiative

<sup>75</sup> Clearly, all parties must identify areas where costs can be reduced to enhance competitiveness, and that includes Government taxes (work permit, utilities and liquor duties are most often quoted). However, this Policy Framework can not address the wider issues to do with Government fiscal policy.

### 7.3.1 The tourism sector as a leader in sustainable practice

The NTMP seeks to encourage sustainable tourism development and encompasses a number of environmental policies. However, there are opportunities to work at the micro as well as the macro level, working with individual operators.

In the light of global concern about the environment, the tourism industry in many destinations is taking steps to reduce the impact of their facilities. A start is being made in Cayman with the preparation of an Environmental Project for the Tourism Sector (CEPTS) by CIDOT and DoE involving around a dozen pilot projects drawn from volunteer local businesses. This 'greening' initiative, which will assist tourism facilities to improve environmental performance through the establishment of Environmental Management Systems, makes sense in terms of good housekeeping and economics for an Island which has limited natural resources. It also projects a positive, new image to the market. There is also an opportunity for the local tourism industry to play a leading role in the new Recycle Cayman programme.

The key to success is to be able to demonstrate the benefits to all concerned, with examples which can be used to sell the program to the entire tourism sector.

**'Greening' a tourism enterprise** is central to the linked objectives of raising quality and environmental awareness. Greening can help:

- Reduce business costs and thereby improve business performance;
- Add value to the customer experience; and
- Gain a competitive edge by capitalising on current interest in green issues.

Enterprises need to understand the principles of sustainable tourism, and the potential benefits. These include the three 'Rs' of reducing, recycling and reusing, conserving energy, using less water, sustainable purchasing decisions, reducing car use and managing waste. Enterprises can help define a 'sense of place' by using local products, services, staff and facilities. There are benefits to be had from sourcing, preparing and serving local food and drink, promoting local crafts, natural and wildlife attractions and working with other local businesses and the local community.

Enterprises need to understand customer expectations and seek to add value to the customer experience. The environmental policy should involve all staff and be constantly monitored maximum benefit.

In strategic terms, there are constraints on the industry (and the rest of the community) including lack of renewable energy sources, recycling programmes and lack of incentives to do anything about it. It is important that these issues are addressed and are built into new development plans, particular for 'Go East' and the Sister Islands.

**Action point: Encourage tourism operators to adopt enhanced environmental management systems and promote environmental messages to guests. Require operators to submit their environmental policy as part of the licensing applications.**

**Action point: Consider fiscal incentives for 'greening' visitor accommodation along with appropriate advisory services.**

**Action point: Lobby for enhanced access to sustainable energy sources.**

**Action Point: Support local agricultural and other relevant produce initiatives and help promote links with the tourism sector.**

### 7.3.2 The range and quality of accommodation

Visitor expectations are constantly rising and the quality of accommodation is their first priority. Although some of the stock on Cayman is relatively good, there is a need to improve through refurbishment or replacement and controlled new development.

There is also a need to diversify the accommodation offer. In particular, there is scope for more high quality, small scale 'boutique' and resort-type spa hotels or condotels with ancillary facilities for visitors e.g. leisure, sports, meeting and function facilities. Exceptional new standards are being set in the Far East and elsewhere. Emphasis must be placed on the quality of facilities, design and management services. Incentives are available via the Hotel Aid Law.

There are few accommodation classification and grading schemes in the Caribbean; Cayman could set a lead by instituting such a scheme awarding a 'Cayman Quality Marque'. (This could be supplemented by a 'Cayman Green Marque' for those properties that reach the necessary standards for environmental sustainability.) Such a standard would increase the confidence of those wishing to book accommodation and provide promotional opportunities for operators.

Minimum standards are currently upheld by the Hotels Licensing Board but the regulations need to be amended to enable stricter enforcement.

**Action point: Pro-actively seek out and incentivise appropriate developers and site opportunities for high quality, scale-appropriate accommodation development, particularly for the Go East area and Cayman Brac.**

**Action point: Amend regulations and introduce new minimum standards for licensing visitor accommodation to raise overall standards. This should include an environmental policy, provision for the disabled, a contingency disaster plan and an approved staff training scheme.**

**Action point: Consider, with the private sector, the concept of a (voluntary) accommodation classification and grading scheme for the Cayman Islands tied into a regional scheme, if appropriate; and institute an annual award scheme for different classes of accommodation.**

### 7.3.3 New and improved Caymanian attractions

There are opportunities for new and improved attractions in Cayman, particularly where they can appeal to families and help disperse visitors away from the pressured honeypot sites.

Diving/snorkelling is the main attraction and needs to be sustained not only by the management of the marine environment but also by developing new product. There is a strong view that the dive product needs refreshing and there is now a commitment to 'Shipwreck City' which is seen as an exciting prospect by the dive industry. However, there are environmental concerns that must be addressed<sup>76</sup>.

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<sup>76</sup> New wrecks and other maritime attractions must be considered on an individual basis with each site assessed independently bearing in mind the location, pollution risk and necessary controls on diver numbers and fishing.

The standard of most land-based attractions (Boatswain's Beach, Pedro, Botanic Gardens) is reasonably high and there are proposals for enhancement at some of these sites e.g. Botanic Gardens and Mastic Trail. The National Museum is the nation's cultural shop window. Given its location and heritage value, it is imperative that it is re-opened at the earliest opportunity. The craft market in George Town is an important new addition but needs to be developed further perhaps in a more prominent location with more local producers, better presentation and promotion. There is room for improvement at other sites (notably Hell, the public beaches and some historic sites, see management proposals above) and general upgrading at most e.g. landscaping, facilities for the disabled, sales of local produce and the staging of local events.

In terms of new attractions, it will be important to avoid replicating what is on offer at other destinations - or in the visitor's hometown e.g. branded fast food restaurants. Pedro, the Botanic Park, the turtle farm, Stingray City and the Mastic Trail are all good examples of distinctively Caymanian attractions and it is important to build on this.

The priority should be to identify other opportunities that will add to the special local experience e.g. the rural/nature-based activities referred to above. Specific opportunities to develop include:

- The new National Park at Barkers;
- The iguana conservation programme at the Botanic Park;
- A new 'Farmers' Market' at the agricultural showground;
- A new National Gallery;
- Various events.

The range of restaurants in the Cayman Islands is a particular strength. There is a need to capitalise on this, raise standards further and make more of local food and dishes as a selling point. Although little food is grown on the Islands, there are agricultural and fishing initiatives that need to be supported and links developed between the farmers and the tourism sector through general awareness raising e.g. 'Meet the producer' events and the new farmers' market.

As with hotels, there is an international trend towards providing quality standards for attractions, particularly activity or sports tourism operators where safety is an issue and this needs to be considered in Cayman<sup>77</sup>. All attractions should seek environmental accreditation.

**Action point: Institute visitor audits at all attractions, including public beaches. Specific attention should be paid to staff training, retailing and the opportunity for the sale of local produce, interpretation of local heritage, provision for those with disabilities etc.**

**Action point: Investigate opportunities for indigenous, new high quality attractions and events and prepare feasibility studies.**

**Action point: Consider, with the private sector, the concept of a (voluntary) accreditation scheme for non-diving activity operators tied into an environmental accreditation scheme and an approved staff training scheme; and institute an annual award scheme for attractions.**

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<sup>77</sup> Diving is, of course, well regulated in safety terms through PADI and other schemes.

### 7.3.4 Foster the arts and enhance access for visitors to events

Cayman culture (traditional and contemporary) has a very important role to play as a tourism product, particularly in terms of promoting the distinctiveness of Cayman. Cultural activities need to evolve, fostered as part of a life-long learning process; new artists and audiences are needed to sustain traditional activities and develop new initiatives. This is a national, not just tourism, priority that was emphasised in Vision 2008 and is the mandate of the National Cultural Foundation.

In tourism terms, the priority should be on developing ways in which visitors can gain access to, and at the same time help support, local arts and culture. Opportunities and outlets need to be provided for individuals and local communities to present their work with help on marketing. The best opportunity for doing this is by promotion to tourists at special outlets and events. Events can help enhance a tourist visit, attract visits in their own right and attract media attention and there is scope for making more of this e.g. story-telling, a large scale 'Lookya' involving all districts in George Town centre. The current cultural events programme needs review and support.

**Action point: Support the National Cultural Foundation in their efforts to:**

- **Promote exploration, understanding and appreciation of Caymanian history, heritage, culture and the arts;**
- **Introduce and implement an integrated, enhanced arts curriculum in all schools supported by suitably trained teachers;**
- **Provide more opportunities for further education in the arts and culture e.g. through the work of the National Museum and National Gallery.**

**Action point: Identify opportunities for developing and marketing cultural resources to visitors e.g.:**

- **Encourage the showcasing of Caymanian culture (and cultures within Cayman) through competitions, exhibitions, performances and events;**
- **Encourage the private tourism sector to sponsor Caymanian art and culture e.g. public art, local drama;**
- **Support physical outlets/craft markets and other artistic events/festivals in George Town and the other districts, in hotels, attractions, at special events, and promote as an arts and crafts trail;**
- **Review and develop arts and crafts events in the context of a wider events strategy (see also Objective 7.8).**

### 7.3.5 Improve presentation and interpretation of heritage

Whilst there are some notable exceptions (Pedro, National Museum, National Gallery), very little has been done to make the visitor aware of the Caymanian heritage or features of interest. The National Trust is doing some good work in this respect by providing access to sites of natural and built heritage but has limited resources at its disposal.

The presentation and interpretation of physical heritage and culture is of interest to many visitors and, presented in the right way, could help encourage visitors to explore further afield, forming the basis for a tour or trails around the islands. This does not have to be complicated or expensive; the information just needs to be accessible. The existing Maritime Heritage Trail and the National Trust's 'Historic and Natural Attractions' brochures provide a basis for a more comprehensive approach. Simple, well-designed, robust plaques are all that is required in most instances, although some sites are so

important that they will merit more detailed treatment. The network of sites should be promoted with better signposting and a high quality route map/guide book available throughout the Islands. Guided tours add extra value.

**Action point: Draw up a comprehensive interpretation strategy (built, natural and maritime heritage and local culture) for the Cayman Islands which will identify the main themes, key sites and areas of interest and how best to present those stories.**

### 7.3.6 Establish a 'Cayman Host' initiative

Contact with local people can enrich a holiday experience and is an important part of making somewhere feel different and special. However, because the Cayman tourism industry relies heavily on imported labour many visitors may not even come into contact with a Caymanian during the course of their stay. This dilutes the feel of being distinctive and workers on temporary contracts may know little about the Islands let alone their culture, heritage and social background. Suitably trained expat staff from other Caribbean countries can help provide a regional, if not national, flavour. (Encouraging more Caymanians to enter the tourism industry is addressed in Objective 7.5.)

A short-term measure to address this issue is an awareness training course, which over time could be made compulsory for non-Caymanians working in the tourism industry (in the context of Business Staff Plans). This is part of the national customer service training programme and could be expanded. The course should provide basic knowledge about:

- The tourism product on Grand Cayman and the Sister Islands;
- Cayman (and Caribbean) history and development;
- Natural history and environment;
- Culture and social background; and
- Regional features.

All people who have undergone the course could wear a Cayman Host badge whilst out and about and would effectively act as tourist guides and ambassadors for Cayman.

In addition, Caymanians not in the industry should also consider themselves as part of 'the brand'. Nearly everyone, whatever their job, comes into contact with tourists, in their shop, on the street, on the beach etc. It is important that they appreciate the importance of tourism, provide a friendly greeting and can answer basic questions. This is something that needs to be inculcated at an early age along with appropriate general knowledge of the Islands. The new 'People to People' programme (HOST) could also lead to a Cayman Host award.

**Action point: Develop and promote a Cayman Host tourism awareness course as part of the current CIDOT training programmes.**

## 7.4 **MANAGE THE SISTER ISLANDS AS DESTINATIONS FOR NATURE-BASED TOURISM**

### **The policy objective**

*To establish and maintain a distinct but separate tourism identity for the Sister Islands of Cayman Brac and Little Cayman, based on sustainable nature-based and soft adventure tourism.*

Vision 2008 stated the intention to develop and implement a plan which addresses the special needs of the Sister Islands. This remains the ambition. Little Cayman, with a small amount of accommodation and some of the best diving, continues to perform relatively well in tourism terms. Cayman Brac needs appropriate airlift and new tourism development to help support the local economy.

In tourism terms, the Sister Islands rely on their world-class diving but there are opportunities for diversification and the creation of a distinctive product based on the natural resources of the islands. There is also scope to promote the Islands to domestic tourists from Grand Cayman. The Sister Islands already represent the genuine Cayman experience to a large extent. It will be important to maintain this character with appropriate, sustainable development and facilities. There is an eagerness to reinforce this image through the 'greening' of the Islands' and its tourism product.

This specific Objective relating to the Sister Islands must be read in conjunction with the other seven Objectives of the NTMP which also relate to the Sister Islands.

### **Policy priority areas**

- To provide essential infrastructure
- To develop and promote nature based products
- To prepare a sustainable development framework

### **7.4.1 Essential infrastructure development**

There are a number of infrastructure issues on the Sister Islands that impact on tourism as well as residential activity:

- Airlift is the top priority for residents and tourism operators on the Sister Islands. The current aircraft servicing the Sister Islands are inappropriate for the market and there are timetable and pricing constraints. These issues are currently being addressed by CAL but timelines need clarification;
- Little Cayman airport currently does not meet official regulations and, in particular, restricts the size of aircraft that can fly in. It can not be used for night (emergency) flights;
- The taxi service at Cayman Brac is limited;
- Medical services (including decompression facilities) are inadequate; and
- The dock at Little Cayman is inadequate. Improvements could facilitate a ferry service to Cayman Brac.

**Action point: Support air operators in providing the most appropriate equipment, timetable and tariffs for the Sister Islands' service.**

**Action point: Establish a safe, 'island-style' airfield to serve Little Cayman.**

**Action point: Provide essential public services on Little Cayman e.g. fire, medical and docking/marina facilities on both Sister Islands.**

#### 7.4.2 Developing nature-based tourism and soft adventure

Local resources offer the opportunity to develop a high quality nature-based and soft adventure tourism product on the Sister Islands based on bird watching, walking, cycling, fishing, caving and rock climbing in addition to the better-known water sports. This combination is already proving attractive and needs to be supported with:

- Enhanced (direct) airlift to the Sister Islands – and for domestic visitors at weekends;
- An appropriate planning framework that helps retain the local character;
- Special incentives for appropriate development on the Sister Islands e.g.:
  - New small scale accommodation subject to demand, including B&B;
  - More walking trails and bird watching facilities and their maintenance;
  - Refurbishment and interpretation of local built heritage;
  - Development and promotion of local arts, crafts, cuisine, music etc; and
  - Training of guides.
- A marketing strategy that focuses on packaging the natural resources and opportunities (marine and terrestrial) of this ‘Island Destination’. This strategy should also target domestic tourists and the cruise market (day trips) from Grand Cayman with better dissemination of information about the Sister Islands.

To support this initiative, local tourism product and service providers should be encouraged to seek accreditation as environmentally responsible facilities, as pace-setters for the wider national initiative referred to (Para 7.3.1). The Sister Islands should also consider the opportunities – and implications – in promoting themselves as a ‘Green Destination’ either through some external accreditation system or by ‘self-certification’<sup>78</sup>. This will require fundamental changes in terms of energy provision, waste disposal and other activities, by both the public and private sectors, but this could be a major promotional tool and USP in the market - and set down a precedent for Grand Cayman.

**Action point: Encourage, with suitable incentives, appropriate small-scale nature-based tourism development projects on the Sister Islands.**

**Action point: Encourage local tourism providers to seek formal accreditation as environmentally-sensitive tourism facilities.**

**Action point: Develop marketing plan for the Sister Islands nature/soft adventure product, with appropriate targets.**

**Action point: Investigate the opportunities and implications of either or both Sister Islands promoting themselves as genuine ‘green’ tourism destinations.**

<sup>78</sup> ‘Greenbox’ is an interesting example from Ireland and recent WTTC award winner ([www.greenbox.ie](http://www.greenbox.ie)). Other examples include Kaikoura in New Zealand (Green Globe) at [www.kaikoura.govt.nz](http://www.kaikoura.govt.nz).

### 7.4.3 A sustainable development framework

The Sister Islands were not covered by the 1997 Development Plan; they had their own set of regulations. The islands now need formal development plans before development pressures make it difficult to retain their special character<sup>79</sup>. This issue needs to be highlighted given the proposed new airport in Little Cayman which may trigger development pressures e.g. Point of Sand. Any development needs to be controlled and managed given the pressures on the reef and the island infrastructure. While there is potential for new development on Cayman Brac, there is a danger of inappropriate e.g. ribbon development.

In particular, there is a need to protect and manage key environmental areas e.g. the Bluff on the Brac and the wetlands on Little Cayman. National Park status would not only protect the Islands but also provide a useful promotional tool, reinforcing the Islands' nature-tourism credentials. The reefs also need maintained protection and activity on the water needs to be well managed<sup>80</sup>; the proposals for a Marine Tourism Management Plan are particularly pertinent to the Sister Islands<sup>81</sup>.

**Action point: Development plans should be prepared for the Sister Islands with relevant development guidelines and identified protected areas (see also Objective 1).**

**Action point: The Sister Islands should be subject to the specific initiatives identified above, notably:**

- **The proposed Marine Tourism Management Plan, perhaps using the Sister Islands as early pilots;**
- **Reinforcement of the Marine Conservation Laws; and**
- **Enhancement of the local dive product.**

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<sup>79</sup> As proposed in Vision 2008.

<sup>80</sup> For example, the use of jet skis and any other activity with potential for conflict.

<sup>81</sup> An additional Enforcement Officer post has recently been created for Cayman Brac.

## 7.5 DEVELOP A HIGHLY SKILLED CAYMANIAN TOURISM WORKFORCE

### **The policy objective**

*To develop a high quality workforce for the Cayman tourism industry, including a higher proportion of Caymanians, to promote the Cayman brand.*

The shortage of skilled tourism workers will not be resolved locally and the industry will continue to rely on foreign staff given the current commitment to growth.

The strategy is predicated on achieving the highest standards of professionalism amongst the workforce (local and expat) assisted by a programme of good training. This can be difficult when dealing with a large number of small operators. The size and type of operator, many with limited knowledge of skills training, means that the Government and other agencies have an important role to play.

There is still a need for greater participation by Caymanians in the industry. This will not only help reduce the need for expatriate labour but will also help reduce perceived socio-cultural problems. More Caymanians at all levels will help provide a more distinctive product. Current initiatives to raise the profile of tourism amongst Caymanians, 'selling' the benefits of a tourism career and enabling access to the industry with the right training and education must be accelerated.

### **Policy priority areas**

- To initiate a human resource strategy for tourism
- To encourage more Caymanians to enter the industry

### 7.5.1 A human resource strategy

A human resource strategy specifically for the tourism sector needs to be prepared based on collaboration between all stakeholders, co-ordinated by the departments of tourism and education. This could also involve the cultural and recreational sectors and should involve:

- Identifying skill gaps, training and trainer requirements;
- Providing opportunities for training;
- Delivering the training within the Cayman Islands; and
- Encouraging its uptake.

The need for staff in quantitative and qualitative terms varies by different degrees at different times. It is important that an early needs analysis is done, looking at the short, medium and long-terms, across all sectors of the industry. The needs analysis should include business skill training requirements for managers/owners.

Opportunities for training exist already; on-the-job training by the private sector ranges from casual coaching to professional programmes usually conducted by the branded operators. In the public sector, CIDOT has initiated the apprenticeship scheme and the National Service Excellence Standards programme but most formal vocational training in tourism is undertaken abroad. There appears to be a case for delivering more hospitality training courses in Cayman (which will also help raise the profile of the industry) but how and where that is done needs to be the subject of more detailed review. There would appear to be considerable scope to develop the existing mutual support and facilities for training both within the private sector and between the public and private sectors.

Given the relatively poor uptake of hospitality training in the past, the delivery plan must also allow for the active promotion of any opportunities.

**Action point: Undertake local tourism labour needs review, by category.**

**Action point: Require tourism operators to provide records of past, and schedule of future, staff training when applying for annual licences<sup>82</sup>.**

**Action point: Review options for hospitality training in Cayman as part of overall delivery plan.**

### 7.5.2 Encouraging more Caymanians to enter the industry

The objective should be to maximise the number of Caymanians in tourism, not only as employees but also as entrepreneurs, as promoted in Vision 2008. In the long term, this is going to require greater investment in CIDOT's current tourism awareness campaigns, in schools and in the community at large, to make people aware of the importance and value of tourism and the opportunities there are for employment and new business development. This should include:

- Media features to show how important tourism is to different aspects of Caymanian life;
- Getting tourism onto the formal school curriculum, 'infused' into other subjects;
- Appointing a special tourism careers officer;
- Seeking and supporting business commitment to work experience;
- An enhanced scholarship and student loan system and promotion of the training opportunities;
- Promotion of the wide variety of jobs suitable for a range of ages and skill levels including highly skilled, multi-function jobs;
- More positive promotion of the industry through the media, including the use of role models; and
- Encouraging domestic tourism.

The strategy of developing a higher quality product and better performing businesses should make tourism jobs more attractive and enable higher wages.

**Action point: Support the tourism awareness campaigns of CIDOT and other agencies.**

**Action point: Undertake survey of Caymanian attitudes to working in tourism, identifying barriers, deterrents and possible solutions.**

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<sup>82</sup> Business staff plans are only required of companies with 15+ staff.

## 7.6 ATTRACT A MORE DISCERNING AND HIGHER SPENDING VISITOR

### **The policy objective**

*To identify and target specific groups of visitors that will appreciate the particular advantages of the Cayman Islands and who are prepared to pay a premium for a high quality, distinctive Cayman holiday.*

Cayman has been very successful in the past in growing visitor numbers and market share. The volume of stayover visitors needs to be increased again post-Ivan but the parallel aim should be to maximise revenue per head.

The US dive market is, and will remain, an important market. However, it is essential that other high value markets are developed and encouraged - hence the current promotional strategy that targets higher spending/longer stay and out-of-season and niche market customers<sup>83</sup>.

In 2002, the NTMP suggested that a new re-vitalised product-led approach to marketing was required. This was to involve raising quality and value including the development of a distinctively local product. The re-branding concept had three themes:

- To distil the essence of the Cayman Islands in the brand and that includes diving and other activities;
- To orchestrate a contiguous set of authentic Caymanian experiences for the visitor to enforce the desired image and to add value to their trip so that it will be remembered; and
- To sell the brand to internal and external customers.

These aspirations led to a number of product initiatives in the previous NTMP that are still relevant and included in a number of the Objectives of this Plan.

### **Policy priority areas**

- To attract high value stayover visitors
- To work with the cruise sector
- To work with the accommodation sector
- To develop the domestic market

### 7.6.1 Attracting high value stayover visitors

Marketing initiatives have traditionally focused on three key themes:

- The Cayman Islands are a group of islands;
- They offer a rich and meaningful experience; and
- They will leave a lasting impression.

Within this context, those involved in promoting Cayman need to focus on:

- Building awareness and familiarity with the Cayman Islands;
- Making sure the assertions are backed up 'on the ground';
- Communicating the enhanced quality of the whole Cayman experience; and
- Communicating the value for money of a Cayman holiday.

<sup>83</sup> New technology allows this to be done more accurately and cost-effectively.

The Cayman core markets need to be serviced and re-vitalised with diversification into new markets. These should be high value niche markets which complement the traditional resort market. The current strategy is therefore to target:

- Families as the core market;
- Dive and Romance as 'extender' markets; and
- Special interest transients as 'filler' markets including those involved in MICE, nature/soft adventure<sup>84</sup>, education, religion and sport trips (often linked to festivals or competitions).

The latter markets are relatively small and require nurturing but they are high value. They require a more tailored approach to marketing with facilitation taking a more important role, supported by the usual destination awareness campaigns.

**Action point: Initiate the new marketing plan bearing in mind the airlift and product development requirements e.g. enhanced accommodation.**

**Action point: Seek to develop niche markets and consider necessary product development issues e.g. wedding and function facilities.**

### 7.6.2 Working with the cruise sector

The NTMP recommends better management of the cruise market (Objective 2). This will involve working with the cruise sector with a pro-active marketing plan. The priority is to try:

- To match the market volume to identified thresholds;
- To achieve a greater dispersal of arrivals (particularly through the week);
- To encourage the wider dispersal of passenger excursions, away from the main honeypots; and
- To explore the opportunities for a broader mix of cruise operators including the luxury sector<sup>85</sup>.

Meeting these aims will need co-ordination with, and the co-operation of, a number of existing cruise lines that come to Cayman. The marketing plan should be prepared by CIDOT, working with the relevant parties.

**Action point: Prepare a marketing plan for the cruise sector following negotiations with relevant parties.**

### 7.6.3 Working with the accommodation sector

There is a long history of marketing co-operation between CIDOT and the stayover sector, particularly the hotel sector, which is important to maintain. However, given recent trends in the sector, there is now a greater need for more active marketing of the condo accommodation in this context, to retrieve occupancy levels, to encourage new investor/visitors and help prevent existing owners departing from the rental pool. Condo owners are great ambassadors for tourism in the Cayman Islands.

<sup>84</sup> See recommendation for Sister Islands' marketing plan.

<sup>85</sup> Capacity in the luxury cruise market is only about 200,000 out of a total of 15m passengers i.e. less than 1.5%. It's a small market and they are looking for exclusive destinations.

**Action point: Within the stayover market, support the condo sector to review and develop appropriate marketing strategies.**

#### **7.6.4 Developing the domestic market**

The domestic market, which has most of the profile attributes of the main target markets, has only just begun to be tapped. This market may be small but is easy to reach, offers off-peak and top-up business and could provide local people with a greater awareness of the local product and the importance of tourism. Elsewhere, such initiatives have been linked very successfully to a local TV travel programme featuring local areas and activities; this could be replicated.

Domestic tourism is a focal area for marketing the Sister Islands (Objective 4) and the Go East area. Information on the Sister Islands and the Eastern Districts (trails, activities, accommodation, attractions and special promotions) needs to be better disseminated (see above).

**Action point: Develop the domestic tourism campaign working with CAL, the media and local operators.**

## 7.7 RESEARCH AND MONITOR TOURISM MORE EFFECTIVELY

### The policy objective

*To improve the monitoring of tourism in the Cayman Islands and research capabilities so that key decisions are founded on sound information and the outcomes measured rationally.*

Gaining a better understanding of visitors, tourism markets and the competition is key to taking successful action and improving performance. This is particularly important given the proposed focus on specific high value and other niche markets. There have been a number of difficulties in terms of data collection in the past although many of these issues have been addressed<sup>86</sup>.

There is also much debate about the perceived impacts of tourism on the local economy, environment and community but this is ill-defined and evidence is largely anecdotal. *"You can not have sustainable development if it can not be measured."*<sup>87</sup> There is an urgent need to establish monitoring systems so that the real impacts of tourism (positive and negative) can be measured and understood and, if considered appropriate, thresholds and relevant controls can be more accurately assessed and justified.

Data collection and monitoring in the Cayman Islands need to be reviewed in a co-ordinated fashion by Government departments and the private sector.

### Policy priority areas

- To review data requirements, data gathering and analysis procedures
- To develop and broaden market research
- To develop an tourism impact model for the Cayman Islands

### 7.7.1 Review of data requirements, data gathering and analysis

The efficient gathering (and analysis) of data is essential and will require the co-operation of various Government departments and the private sector. Data must be not only reliable but up-to-date and accessible. A review of data needs is required which might include:

- Collation of tourism-related statistics gathered by other agencies e.g. CITA, Chamber of Commerce, transport operators, wedding licences;
- Clearer and more comprehensive data collected via immigration;
- More visitor profile information collected in exit surveys, particularly:
  - Identification of main purpose of visit;
  - More detail on activities pursued;
  - Segregation of VFR markets;
  - Identification of patterns of movement on the islands; and
  - Clearer attitudes to, and perceptions of, the local product, notably accommodation.
- Clarification of cruise visitor volumes (passengers and crew) through consultation with cruise sector i.e. actual disembarkation records;
- Monitoring of airlift into the Cayman Islands (by seat volume) and destination;
- More detailed surveys of visitors to the Sister Islands;

<sup>86</sup> Additional enumerators have been appointed to address shortfalls in the visitor exit survey.

<sup>87</sup> 1992 Tourism Development Plan.

- Tourism business performance indicators (including employment), supplemented by a qualitative 'How's Business' survey and summarised quarterly;
- Creation of a full directory of all tourism attraction/activity operators;
- Local community perceptions of tourism, 'quality of life' indicators;
- Environmental indices e.g. energy consumption and waste disposal by tourists, tourism-related traffic, development pressures, impacts on sensitive sites etc; and
- On-site perception surveys to gain reactions to visitor management issues such as congestion in George Town and Stingray City and West Bay Road traffic on peak cruise days.

**Action point: Undertake an audit of information requirements.**

**Action point: Gather, analyse and present relevant tourism data on a regular basis.**

### 7.7.2 Develop and broaden market research

Marketing initiatives will require specific research in addition to the local market information referred to e.g. assessments of the nature and scale of the 'extender' and 'filler' target markets, the profile and motivation of condo owner/users. Much of this is in hand but needs regular updating. Benchmarking against competing destinations including comparative costs needs to be maintained.

**Action point: Review market research needs and prepare a research strategy.**

### 7.7.3 Develop a tourism impact model for the Cayman Islands

A key element of the monitoring process is the establishment and updating of a cost effective tourism impact model for tourism on the Islands that demonstrates the real value of the sector and the relevant segments within it. Despite the drawbacks of such models, it is essential that Cayman gets a clearer indication of the volume and value of tourism.

CITA funded such a model in 2003, based on 2001 figures. There are proposals, led by the Economics and Statistical Office, to set up a Tourism Satellite Accounting (TSA) system although data gaps need to be filled.

**Action point: Develop an appropriate tourism impact model or TSA for the Cayman Islands.**

## 7.8 ORGANISE TOURISM IN CAYMAN ISLANDS MORE EFFECTIVELY

### **The policy objective**

*To provide the industry with a support structure that represents their interests and meets their communal needs in the most efficient, effective and economical way.*

All those involved in tourism will have to review their roles if the proposed policies in this NTMP are to be implemented. For example, new marketing and product development initiatives, new visitor management controls, enhanced training and tourism awareness, inter-departmental co-operation, wider monitoring etc. In particular, product development work by CIDOT has been limited in the past to accommodation inspections, licensing, training, tourism education and awareness programmes but it is now increasingly involved with wider cross-cutting product issues e.g. planning, visitor management and attraction development. Different responsibilities require different structures, powers and commitments involving both the public and private sectors, often in joint initiatives.

Successful tourism policy and implementation is reliant upon getting both internal structures and external partnerships working effectively i.e. the lines of communication between the Government (and within different departments), the private sector and the local community. It has been argued locally, that the private sector could and should take a more active role in the organisation of tourism.

### **Policy priority areas**

- To consider a new structure for tourism organisation in the Cayman Islands
- To provide institutional support for representative bodies
- To review public consultation processes

### 7.8.1 A new structure for tourism

CIDOT is the NTO for the Cayman Islands, mandated to promote and manage the tourism industry under the policy guidance of the Ministry of Tourism. As a Government Department, CIDOT is not representative of, or driven by, the industry and is hidebound by regulations and can not always respond adequately to situations as they arise. Strategy 13 of Vision 2008 and previous Tourism Development Plans have recommended the establishment of a Tourism Authority to oversee tourism management and implement tourism policy in Cayman. This new Tourism Authority would be an independent public-private sector body working within the context of a nationally approved tourism policy framework with adequate resources.

However, there may be other options. One might be to retain CIDOT as the executive body of the Ministry, responsible for developing and monitoring Government policy, product development and infrastructure co-ordination, regulatory functions etc. (It may be appropriate to re-establish the external Tourism Advisory Council to provide input to Ministry policy formulation.)

An independent, newly-branded marketing arm, 'Visit Cayman', could then be set up as a genuine public-private body responsible for promoting the Cayman Islands<sup>88</sup> to visitors before and during their visit. This implies a significant commitment by the private sector.

<sup>88</sup> A new organisational structure might be even more appropriate given the strategic changes in marketing approach for both stayover and cruise.

As the body responsible for product development, CIDOT could also establish a new, dynamic central events unit, in conjunction with NCF and other parties, to establish, manage and promote a range of major events including Pirate's Week, Jazz Festival and provide a resource for others seeking to create new events. Many agencies are going down this route. Given the infrastructure, this body can take on non-tourism events as well.

There is also an opportunity to consider the future management of Government owned attractions, involving the Tourist Attractions Board, CIDOT and the private sector.

The benefits of these alternative bodies and related structures need to be assessed against the potential roles and commitments by different parties. The key players will include specific Government departments along with representative bodies from the private sector, Cayman Airways and, from the local community, the District Sub-committees.

**Action point: Assess the need and implications of establishing a new tourism structure for tourism, involving private and public sector participation.**

This NTMP highlights the important role that so many Government departments have to play in tourism development and management. Most are well aware of their direct role and tourism features strongly on their agenda. For others, the involvement is indirect e.g. highways, hazard management, environmental health, police, the utilities all impact on tourism.

It is crucial that these cross-cutting activities are co-ordinated and that CIDOT, and/or any successor body, has a central role in that co-ordination function. This co-ordinating body should have representatives of all key Government departments, supported by clear channels of communication between CIDOT or the new statutory Tourism Authority and those departments. It is particularly important that consultation procedures between departments are formalised so that CIDOT (or any successor body) can make representations directly and speedily on any proposal under consideration that might bear on the NTMP, particularly planning applications for tourism development<sup>89</sup>.

**Action point: Establish a tourism policy co-ordinating committee with representatives from all relevant Government departments to review the channels of communication and policy decision-making between Government departments, particularly between tourism and planning, environment, public utilities and environmental health.**

## 7.8.2 Institutional support for representative bodies

Notwithstanding any future role in a new tourism body, the private sector must continue to work co-operatively and speak with a common voice for mutual benefit on policy issues, marketing, training, product development etc. Trade Associations – and their members - have an important role to play in policy implementation.

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<sup>89</sup> The Minister of Tourism already has the statutory power to object to any planning application for visitor accommodation.

Similarly, the community sector and other NGOs also have a significant contribution to make to tourism. Organisations such as the National Cultural Foundation and National Trust are responsible for developing and managing tourism products.

**Action point: Consult and involve representative tourism trade associations in the ongoing implementation of the NTMP.**

**Action point: Consult community groups and other institutions providing tourism products and provide appropriate support for relevant projects.**

## **8. IMPLEMENTATION OF THE NTMP**

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### **8.1 Overall responsibility**

Many Government departments, the private sector and other agencies have important roles to play in the implementation of this NTMP. However, overall responsibility for co-ordination and leadership must rest with CIDOT (or any new tourism authority) on behalf of the Ministry of Tourism.

### **8.2 Commitments and responsibilities**

Additional resources will be required to implement many of the policy objectives. The NTMP gives priority to product development, from environmental improvements and staff training to new attractions, accommodation and public realm upgrading. The resources to meet these proposals will have to come from a number of public and private sources. The Ministry of Tourism and CIDOT will have new responsibilities under the NTMP and other Government departments also have resource commitments in the implementation of the Action Points.

Implementation of the previous NTMP was hampered by the process that made volunteer committees responsible for delivery but without the resources or authority to take the necessary action. It is imperative that the Action Points are costed, programmed and budgeted for by the responsible delivery agency/Ministry and these bodies held accountable for implementation by the respective committee. These committees could be geographic but would probably be better as thematic committees based on the 8 Objectives, or combinations thereof. They should involve a combination of community and key private sector stakeholders, will have licence to stimulate/encourage/pressurise action and be required to report back on progress to the Minister of Tourism on a quarterly basis. The chairs of each committee should sit on an Executive Committee that will co-ordinate feedback and communication with the Ministry. The Exec Committee should have a dedicated officer to support their work and that of the individual committees. This will be a pro-active role for an experienced individual.

In budgetary terms, consideration could be given to the establishment of a Tourism Development Fund to provide extra resources for a range of public sector initiatives (e.g. visitor management, public realm initiatives etc) that perhaps do not fall squarely upon a particular department. Examples might include new beaches or upgrading George Town or projects which require additional funding to make a qualitative difference. The fund could be based on:

- Hypothecation from existing tourist related taxes, duties, fees;
- A special internal Government allocation.

The private sector has an important funding role to play in a number of the policy objectives but particularly in terms of enhancing (and 'greening') accommodation and attractions. For many small businesses, access to funding can be difficult and new mechanisms may be required, as are being explored currently in the context of the Go East programme.

Notwithstanding the problems on implementation of the previous NTMP, much progress was made but which received little publicity. It will be important to monitor progress and make that progress public at regular intervals.

**Action point: Cost, programme and budget for those NTMP Action Points according to responsibility.**

**Action point: Appoint a dedicated NTMP officer within CIDOT.**

**Action point: Consider the establishment of a new Tourism Development Fund for public tourism initiatives.**

**Action point: Consult with the private sector to identify barriers to investment, working with the banks and reviewing the opportunities provided by fiscal incentives for appropriate projects.**

**Action point: Monitor progress on implementation of the NTMP on a quarterly basis and publicise the findings.**

**Action point: Undertake a mid-term review of the NTMP.**

### **8.3 Priorities and timescale**

Clearly, all the Action Points are considered to be important but some are more urgent than others given their potential impact or the impact if no action is taken.

Similarly, the different Action Points will need more or less time to implement. The NTMP has a five year time span and most Actions fit within that period but others are even more long term.

We have also identified, by shading, those projects that we feel could be initiated immediately and represent 'early wins'.

### **8.4 Summary of actions**

In Table 8.1, we have gathered together all the Action Points presented in the report and annotated them according to:

- Their priority: 1 or 2;
- Those responsible for their implementation, (see abbreviations below);
- The timescale over which action should be taken: 1-5 years.

**Table 8.1: Abbreviations used in Action Plan**

Ministry	Ministry of Tourism, Environment, Development and Commerce
CIDOT	Cayman Islands Dept of Tourism
DoE	Dept of Environment
DoEd	Dept of Education
DEH	Dept of Environmental Health
DoER	Dept of Employment Relations
Plan	Dept of Planning
PWD	Public Works Department
NRA	National Roads Authority
PTB	Public Transport Board/Licensing
Im	Dept of Immigration
MAG	Ministry of Agriculture
CAA	Civil Aviation Authority
CAL	Cayman Airways
Port	Port Authority of the Cayman Islands
PSTA	Industry tourism associations, i.e. CITA, SITA, ACT
ChC	Cayman Islands Chamber of Commerce
NT	National Trust for the Cayman Islands
NCF	Cayman National Cultural Foundation
NM	Cayman Islands National Museum
NG	National Gallery of the Cayman Islands
UCCI	University College of the Cayman Islands
HLB	Hotel Licensing Board
CIIB	Cayman Islands Investment Bureau
HMA	Hazard Management Agency
TAB	Tourist Attractions Board
ESU	Economics and statistical unit
	Potential 'Early wins'

**Table 8.1: Summary of Action Points**

7.1	<b>SUSTAIN THE QUALITY OF THE ENVIRONMENTAL PRODUCT</b>	<b>Policy priority areas</b>		
	<b>Policy objective:</b> <i>To respect the importance of environmental quality not only as part of the nation's global responsibility but also because the marine and terrestrial environment is the main driver for tourism in Cayman. The aim is to support a tourism sector which is sustainable and capable of flourishing over the long term.</i>	<ul style="list-style-type: none"> <li>• To develop a new approach to planning</li> <li>• To prepare development guidelines for tourism zones</li> <li>• To prepare a regeneration plan for George Town</li> <li>• To institute environmental impact assessments for major tourism projects</li> <li>• To initiate protection for Environmental Areas</li> <li>• To develop a Cayman design guide</li> <li>• To review the quality of the public realm</li> </ul>		
	<b>Action point</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Co-ordinate agencies to ensure an integrated, consistent approach to the development and management of tourism i.e. planning in its broadest sense.	1	PLAN, CIDOT, DoE et al	1-5
2	Review need, capacities and commitments for tourism development and prepare Master Plans with development guidelines for West Grand Cayman, the Eastern Districts, the Sister Islands and relevant sub-areas.	1	PLAN, CIDOT, DoE, NRA et al	1-3
3	Fast-track the objectives, guidance and planning for 'Go East'.	1	PLAN, CIDOT, DoE, CIIB, ChC, NRA, PSTA	1-2
4	Establish joint forum to: Prepare environmental audit of George Town; Prepare master plan in conjunction with the proposed cruise management plan and local design guidelines; and Implement improvements.	1	PLAN, CIDOT, PWD, NRA, ChC et al	1-3
5	Embed the requirement for Environmental Impact Analysis [EIAs] within the Development Plan and Conservation Law for major projects, including the need for consultation with CIDOT.	1	PLAN, DoE, CIDOT	1-3
6	Embed a national system of protected areas for sensitive environmental areas within the legislative framework (Conservation Law, Development Plan)	1	PLAN, DoE, NT	1-3
7	Co-ordinate support and prepare action plan to deal with the issues of beach erosion.	1	DoE, HMA, PLAN	1-2
8	Institute new regulations to list and protect buildings and neighbourhoods of special interest.	1	PLAN, NT	1-2
9	Develop a formal design guide for the Cayman Islands which will act as a reference point for all new development, including tourism development.	1	PLAN	1-2
10	Institute an environmental building code within local building regulations.	1	PLAN	1-5
11	Establish joint forum to: Prepare environmental audits for all local centres; Prepare plans based on local design guidelines; and Initiate implementation of improvements.	1	CIDOT, DEH, PLAN, PWD	1-3

<b>7.2</b>	<b>MANAGE THE VISITORS AND THEIR IMPACTS</b>	<b>Policy priority areas</b>		
	<b>The policy objective</b> <i>To ensure that visitor management is achieved efficiently and effectively for the benefit of the visitor experience and to help protect the quality of the environment.</i>	<ul style="list-style-type: none"> <li>• To manage cruise arrivals</li> <li>• To manage air arrivals</li> <li>• To facilitate access around the island(s)</li> <li>• To develop a marine tourism management plan</li> <li>• To enhance the visitor experience at the beaches and main attractions</li> </ul>		
	<b>Action point</b>		<b>Priority</b>	<b>Responsibility</b>
1	Form a public/private working group to develop and implement the proposed cruise management plan. (Linked to George Town Regeneration Plan and Public Beaches Project below)		1	CIDOT, Port, PLAN, PWD, NRA, ChC, PSTA
2	Enforce current threshold of 15,000 cruise passengers per day pending completion of the cruise management plan.		1	Port, CIDOT
3	Improve terminal facilities at Owen Roberts International Airport with high quality, new facilities/services.		1	CAA, CAL
4	Maintain training and subsequent high standards of service at all gateways to Cayman.		1	Port, CAA, CIDOT, Im, PSTA
5	Ensure a first class taxi service from both major airports.		1	PTB, CAA, CIDOT, PSTA
6	Develop a network of trails and cycleways throughout the Cayman Islands.		2	NT, CIDOT, DEH, DoE, PWD, NRA
7	Review public transport opportunities for internal travel by visitors as well as residents.		2	PTB, CIDOT, CAL
8	Improve tourist road signage on Grand Cayman.		2	PWD, CIDOT
9	Devise and agree methods for measuring: Numbers of divers at different sites; Environmental impacts of diving/water sports; Other environmental impacts including fishing; and Diver motivations and satisfaction levels.		1	DoE, CIDOT, PSTA
10	Develop a marine tourism management plan to cover all relevant sites and issues, incorporating the visitor management plan for Stingray City/Sandbar.		1	DoE, CIDOT, PSTA
11	Prepare environmental enhancement/visitor management plans for all public beaches and other major attractions, notably Hell.		1	DEH, CIDOT, NT, PLAN, PSTA, TAB
12	Investigate opportunities for expanding provision of public beaches in west Grand Cayman. (Linked to Cruise Management Plan)		1	CIDOT, PLAN, DEH, PSTA

7.3	<b>PROVIDE A HIGH QUALITY, SUSTAINABLE, CAYMANIAN TOURISM PRODUCT</b>  <b>The policy objective</b> <i>To offer a range of high quality visitor accommodation, attractions and activities and a level of service that is distinctively Caymanian to attract the discerning, affluent visitor, encouraging them to return and promote the Islands to others.</i>	<b>Policy priority areas</b> <ul style="list-style-type: none"> <li>• To become a leader in sustainable practices</li> <li>• To upgrade accommodation</li> <li>• To enhance local attractions</li> <li>• To provide access to arts and culture</li> <li>• To enhance interpretation of heritage and culture</li> <li>• To establish a Cayman Pride initiative</li> </ul>		
	<b>Action point</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Encourage tourism operators to adopt enhanced environmental management systems and promote environmental messages to guests. Require operators to submit their environmental policy as part of the licensing applications.	1	Plan, CIDOT, DOE, DEH, utility companies	1-5
2	Consider fiscal incentives for 'greening' visitor accommodation along with appropriate advisory services.	1	Ministry, CIDOT, DoE	1-2
3	Lobby for enhanced access to sustainable energy sources.	1	CIDOT, DoE, CUC, Ministry	1-2
4	Support local agricultural and other relevant produce initiatives and help promote links with the tourism sector.	1	CIDOT, MAg,	1-5
5	Pro-actively seek out and incentivise appropriate developers and site opportunities for high quality, scale-appropriate accommodation development, particularly for the Go East area and Cayman Brac.	1	CIDOT, CIIB, ChC	1-5
6	Amend regulations and introduce new minimum standards for licensing visitor accommodation to raise overall standards. This should include an environmental policy, provision for the disabled, a contingency disaster plan and an approved staff training scheme.	1	CIDOT/HLB, PSTA, ChC	1-3
7	Consider, with the private sector, the concept of a (voluntary) accommodation classification and grading scheme for the Cayman Islands tied into a regional scheme, if appropriate; and institute an annual award scheme for different classes of accommodation.	2	CIDOT, PSTA, ChC, HLB	1-5
8	Institute visitor audits at all attractions including public beaches. Specific attention should be paid to staff training, retailing and the opportunity for the sale of local produce, interpretation of local heritage, provision for those with disabilities etc.	1	CIDOT, TAB, NT et al	1-3
9	Investigate opportunities for indigenous, new high quality attractions and events and prepare feasibility studies.	2	CIDOT, PSTA, NT, NCF, TAB	1-5

10	Consider, with the private sector, the concept of a (voluntary) accreditation scheme for non-diving activity operators tied into an environmental accreditation scheme and an approved staff training scheme; and institute an annual award scheme for attractions.	2	CIDOT, PSTA	1-3
11	Support the National Cultural Foundation in their efforts to: Promote exploration, understanding and appreciation of Caymanian history, heritage, culture and the arts; Introduce and implement an integrated, enhanced arts curriculum in all schools supported by suitably trained teachers; Provide more opportunities for further education in the arts and culture e.g. through the work of the National Museum and National Gallery.	1	NCF, DoEd, NM, NG	1-5
12	Identify opportunities for developing and marketing cultural resources to visitors e.g.: Encourage the showcasing of Caymanian culture (and cultures within Cayman) through competitions, exhibitions, performances and events; Encourage the private tourism sector to sponsor Caymanian art and culture e.g. public art, local drama; Support physical outlets/craft markets and other artistic events/festivals in George Town and the other districts, in hotels, attractions, at special events, and promote as an arts and crafts trail; Review and develop arts and crafts events in the context of a wider events strategy (see also Objective 7.8).	1	CIDOT, NCF, PSTA/ChC, NM, NG et al	1-5
13	Draw up a comprehensive interpretation strategy (built, natural and maritime heritage and local culture) for the Cayman Islands which will identify the main themes, key sites and areas of interest and how best to present those stories.	1	NT, NM, CIDOT, DoE	1-3
14	Develop and promote a Cayman Host tourism awareness course as part of the current CIDOT training programmes.	1	CIDOT, PSTA, ChC et al	1-3

7.4	<b>MANAGE THE SISTER ISLANDS AS DESTINATIONS FOR NATURE-BASED TOURISM</b>	<b>Policy priority areas</b>		
	<p><b>The policy objective</b>  <i>To establish and maintain a distinct but separate tourism identity for the Sister Islands of Cayman Brac and Little Cayman, based on sustainable nature-based and soft adventure tourism.</i></p>	<ul style="list-style-type: none"> <li>• To prepare a sustainable development framework</li> <li>• To develop and promote nature based products</li> <li>• To provide essential infrastructure</li> </ul>		
	<b>Action point</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Support air operators in providing the most appropriate equipment, timetable and tariffs for the Sister Islands' service.	1	CAL	1-3
2	Establish a safe, 'island-style' airfield to serve Little Cayman.	1	CAA, PWD	1-3
3	Provide essential public services on Little Cayman e.g. fire, medical and docking/marina facilities on both Sister Islands.	1	Various	1-5
4	Encourage, with suitable incentives, appropriate small-scale nature-based tourism development projects on the Sister Islands.	1	CIDOT, PSTA, CIIB	1-5
5	Encourage local tourism providers to seek formal accreditation as environmentally-sensitive tourism facilities.	1	CIDOT, DoE, PSTA	1-5
6	Develop marketing plan for the Sister Islands nature/soft adventure product, with appropriate targets.	1	CIDOT, CAL, PSTA	1-2
7	Investigate the opportunities and implications of either or both Sister Islands promoting themselves as genuine 'green' tourism destinations.	2	CIDOT, DoE, PSTA, PLAN, utility companies	1-5
8	Development plans should be prepared for the Sister Islands with relevant development guidelines and identified protected areas (see also Objective 1).	1	PLAN, CIDOT, DoE, NRA	1-3
9	The Sister Islands should be subject to the specific initiatives identified above, notably: The proposed Marine Tourism Management Plan, perhaps using the Sister Islands as early pilots; Reinforcement of the Marine Conservation Laws; and Enhancement of the local dive product.	1	DoE, CIDOT, PSTA	1-3

<b>7.5</b>	<b>DEVELOP A HIGHLY SKILLED CAYMANIAN TOURISM WORKFORCE</b>			
	<b>The policy objective</b> <i>To develop a high quality workforce for the Cayman tourism industry, including a higher proportion of Caymanians, to promote the Cayman brand.</i>	<b>Policy priority areas</b> <ul style="list-style-type: none"> <li>To initiate a human resource strategy for tourism</li> <li>To encourage more Caymanians to enter the industry</li> </ul>		
	<b>Action point</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Undertake local tourism labour needs review, by category.	1	CIDOT, PSTA, CHC, DoEd, UCCI, DoER	1-2
2	Require tourism operators to provide records of past, and schedule of future, staff training when applying for annual licences.	2	CIDOT, PSTA, ChC, Im	1-5
3	Review options for hospitality training in Cayman as part of overall delivery plan.	2	CIDOT, UCCI, PSTA, ChC, DoEd	1-3
4	Support the tourism awareness campaigns of CIDOT and other agencies.	1	CIDOT, PSTA, ChC, DoEd	1-5
5	Undertake survey of Caymanian attitudes to working in tourism, identifying barriers, deterrents and possible solutions.	2	CIDOT, PSTA, ChC, DoER	1-2

7.6	<b>ATTRACT A MORE DISCERNING AND HIGHER SPENDING VISITOR</b>  <b>The policy objective</b> <i>To identify and target specific groups of visitors that will appreciate the particular advantages of the Cayman Islands and who are prepared to pay a premium for a high quality, distinctive Cayman holiday.</i>	<b>Policy priority areas</b> <ul style="list-style-type: none"> <li>• To attract high value stayover visitors</li> <li>• To work with the cruise sector</li> <li>• To work with the accommodation sector</li> <li>• To develop the domestic market</li> </ul>		
<b>Action point</b>		<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Initiate the new marketing plan bearing in mind the airlift and product development requirements e.g. enhanced accommodation.	1	CIDOT, PSTA, CAL	1
2	Seek to develop niche markets and consider necessary product development issues e.g. wedding and function facilities.	1	CIDOT, PSTA	1-2
3	Prepare a marketing plan for the cruise sector following negotiations with relevant parties.	1	CIDOT, PSTA, ChC	1
4	Within the stayover market, support the condo sector to review and develop appropriate marketing strategies.	1	CIDOT, PSTA, ChC	1-3
5	Develop the domestic tourism campaign working with CAL, the media and local operators.	2	CIDOT, PSTA, CAL	1-3

7.7	<b>RESEARCH AND MONITOR TOURISM MORE EFFECTIVELY</b>  <b>The policy objective</b> <i>To improve the monitoring of tourism in the Cayman Islands and research capabilities so that key decisions are founded on sound information and the outcomes measured rationally.</i>	<b>Policy priority areas</b> <ul style="list-style-type: none"> <li>• To review data requirements, data gathering and analysis procedures</li> <li>• To develop and broaden market research</li> <li>• To develop a tourism impact model for the Cayman Islands</li> </ul>		
	<b>Action point</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Undertake an audit of information requirements.	1	CIDOT, PSTA	1
2	Gather, analyse and present relevant tourism data on a regular basis.	1	CIDOT, ESU, PSTA, ChC	1-5
3	Review market research needs and prepare a research strategy.	2	CIDOT, PSTA	1-3
4	Develop an appropriate tourism impact model or Tourism Satellite Account (TSA) for the Cayman Islands.	1	CIDOT, ESU, PSTA, ChC	1-2

7.8	<b>ORGANISE TOURISM IN CAYMAN ISLANDS MORE EFFECTIVELY</b>  <b>The policy objective</b> <i>To provide the industry with a support structure that represents their interests and meets their communal needs in the most efficient, effective and economical way.</i>	<b>Policy priority areas</b> <ul style="list-style-type: none"> <li>• To consider a new structure for tourism organisation in the Cayman Islands</li> <li>• To provide institutional support for representative bodies</li> <li>• To review public consultation processes</li> </ul>		
	<b>Action point</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Assess the need and implications of establishing a new tourism structure for tourism, involving private and public sector participation.	1	CIDOT, PSTA, Ministry	1-2
2	Establish a tourism policy co-ordinating committee with representatives from all relevant Government departments to review the channels of communication and policy decision-making between Government departments, particularly between tourism and planning, environment, public utilities and environmental health.	1	CIDOT, PLAN, DoE et al	1
3	Consult and involve representative tourism trade associations in the ongoing implementation of the NTMP.	1	CIDOT, PSTA, ChC	1-5
4	Consult community groups and other institutions providing tourism products and provide appropriate support for relevant projects.	1	CIDOT	1-3

8	<b>IMPLEMENTATION</b>			
	<b>Action point</b>	<b>Priority</b>	<b>Responsibility</b>	<b>Timescale</b>
1	Cost, programme and budget for those NTMP Action Points according to responsibility.	1	All Govt Depts and relevant agencies	1
2	Appoint a dedicated NTMP officer within CIDOT.	1	CIDOT	1
3	Consider the establishment of a new Tourism Development Fund for public tourism initiatives.	1	CIDOT, Ministry	1-3
4	Consult with the private sector to identify barriers to investment, working with the banks and reviewing the opportunities provided by fiscal incentives for appropriate projects.	1	CIDOT, PSTA, CIIB, ChC	1-3
5	Monitor progress on implementation of the NTMP on a quarterly basis and publicise the findings.	1	CIDOT	1-5
6	Action point: Undertake a mid-term review of the NTMP.	2	CIDOT	3



**APPENDIX I: Consultees**

Name		Representing
<b>Ministry and Department of Tourism</b>		
Hon Charles Clifford		Minister of Tourism
McField-Nixon	Gloria	Permanent Secretary (NTMP Committee Chair)
Bush	Pilar	Director (NTMP Committee)
Banfield	Sharon	Deputy Director, Product Development (NTMP)
McKenzie	Alma	Human Capital Development
Donalds	Patrice	Human Capital Development
Watson	Daphine	Human Capital Development
Jackson	Kathryn	PR
Scott	Shomari	Deputy Director, Marketing US
Richards	Oneisha	Marketing, Europe
Bounds	Karie	Product development (NTMP)
Conolly	Dianne	Product development
Linton	Christopher	Finance
Du Feu	Juliet	HR
McDougall	Don	European manager
Narsansky	Mark	RBA Advertising
<b>Other NTMP Steering Committee members</b>		
Banks	Loxley	
Farrington	Ivan	Hell
Burke	Chevala	Marketing, SI District Administration
Jackson	Rollin	Tropicana Tours
<b>Other Government department and national agencies</b>		
Ebanks-Petrie	Gina	Director, Dept of Environment
Hurlston	Lisa-Ann	Sustainable Development Co-ordinator, DoE
Austin	Tim	Asst Director, Research & Assessment, DoE
Carter	Roydell	Director, Dept of Environ. Health
Ebanks	Kenneth	Director of Planning (NTMP)
Pandohie	Haroon	Assistant Director of Planning
Hurlston	Paul	Director, Port Authority
Carby	Barbara	Hazard Management Dept
McCleary	Frederick	Hazard Management Dept
Frederick-Van Genderen	Gelia	Director, Water Authority
Connolly	Gilbert	CEO, Tourism Attractions Board (NTMP)
Nixon	Craig	Director, Recreation and Parks
Frederick	David	CEO, Cayman Islands Airports Authority
Benjamin	Alfred	Chief Agricultural & Veterinary Officer
Wrightington	John	VP Commercial, Cayman Airways (NTMP)
Basdeo	Dax	Exec Director, Cayman Islands Investment Bureau
Parchment	Charles	Business Development Manager, CIIB
Howard	Edward	Deputy MD, National Roads Authority
Thibeault	Denis	Assistant Director, Transport Planning, NRA
Hew	Richard	President and CEO, CUC
Thompson	Caren	Manager, Corporate Communications, CUC
<b>Chamber of Commerce</b>		
Pineau	Wil	CEO, Chamber of Commerce
Givens	Frank	GM, Sunshine Suites
Richter	Martin	Grand Old House

Moxam	Renard	MD, Island Companies
Barnes	Brian	Bartending Services, Petty Cabs
Foster	Woody	Foster Food Fair
Tibbetts	James	Cayman Petro Services Ltd
Bostock	Stewart	Stax Restaurant
<b>Cayman Islands Tourism Association</b>		
Bergstrom	Karie	Chair, CITA (NTMP)
McDowall	Rod	Red Sail Sports/CITA
Thompson	Ken	Exec Director, CITA
Easterbrook	Nancy	Divetech, CITA
Cohen	Jean	GM, The Ritz-Carlton
Kipp	Ronald	Caribbean Producer Services
Broadbelt	Steve	Ocean Frontiers
Regidor	Walter	MD, Marriott
<b>ACT (Advancement of cruise tourism)</b>		
Davies	Brynley	MD, The Image Group
Graham-Taylor	Emma	Operations Manager, The Image Group
Thompson	Gene	Thompson Developments Ltd
Moxam	Renard	Island Companies Ltd
Carmichael	David	Caribbean Marine Services
Anglin	Ronnie	Captain Marvin's Water Sports Ltd
<b>Sister Islands Tourism Association</b>		
Wilson	Nicholas	Manager, Little Cayman Beach Resort
Hillenbrand	Peter	Southern Cross Club, Little Cayman (NTMP)
Morris	Gay	Pirate's Point, Little Cayman
Pothier	Marc	Paradise Villas, Little Cayman
Clamp	Jon	Central Caribbean Marine Institute
<b>Other consultees</b>		
Roulstone	Frank	Director, National Trust
Miller	Bo	President, Northern Lights Condos
Murphy	Jenny	Director, Recycle Cayman
Layne	Carrie	Best of Cayman
Zimmer	Ron	Developers
Bovell	James	CIREBA/REMAX
Catalanotto	Tony	CIREBA/Rainbow Realty
Page	Nikki	Events and Marketing, Dart Realty
Blackburn	Susanna	Communications Manager, Dart Realty
Harper	Skip	Climber and author
Bodden	Nola	B&S Motors, Cayman Brac
Adam	Billy	Hobbies and Books
Rittenhouse	Lania	Hotel operations, NCL
Preece	Andy	PMP Consulting
<b>PLUS Attendees at the District public meetings, March 2007 and September 2007</b>		

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