

Feb 3rd 2023

## **Tourism and Budget 2023**

*Excerpt from the 2023 Budget Presentation of Minister of Finance, Hon. Camillo Gonsalves*

### **Introduction**

Like Bob Marley says, "Who feels it knows it." We have all acutely felt and are intimately knowledgeable of the frailty of our tourism sector in the face of slowdowns, shutdowns and lockdowns. We went from welcoming 399,000 guests in 2019 to a mere 57,000 in 2021. Visitor expenditure plummeted from a high of \$318 million in 2019 to \$78 million in 2021.<sup>12</sup>

Today, numerous positive signposts exist on our road from recovery to a diverse and resilient tourism sector. Airlift is increasing, yacht arrivals will approach 2019 levels, and we are projected to welcome more passengers this cruise season than ever in our history. The tourism patient is no longer on life support, and its vitals look more robust by the day.

The Tourism sector is on the rise.

Between 2015 and 2019, tourist arrivals to Saint Vincent and the Grenadines almost doubled (207,000 – 399,000), driven by a 200 percent increase in cruise passengers. Our indefatigable Minister of Tourism, the Honourable Carlos James, has announced that this cruise season could welcome as many as 326,000 visitors to Saint Vincent and the Grenadines, which would be, by a large margin, our most successful cruise season ever. Our cruise arrivals are now sufficiently large to encourage local entrepreneurs to increasingly invest in monetising the presence of these guests. Gone are the days when Vincentian leaders could quip those cruise passengers were only suitable for buying a "postcard and a Pepsi."

Today, they are taking tours on boats and busses owned by Vincentians, eating and drinking at local restaurants, and renting umbrellas and beach chairs from local service providers. However, the 200 percent increase in cruise passengers between 2015 and 2019 and the further projected growth in the current and upcoming seasons means that we are approaching the capacity limits of our public and private cruise infrastructure. We need more space to dock additional cruise ships. We need more boats and busses to conduct tours and more attractions – be they natural or cultural – to lure tourists from the comfort of their palatial cruise ships.

Hence, in 2020, we attempted to incentivise investments in buses and boats by extending a duty concession of up to 90 percent on tour buses over 25 seats and a 100 percent duty waiver on tour boats. Understandably, given the arrival of the Pandemic just a few months after our announcement, only a few operators have taken advantage of these generous incentives. We again strongly encourage the private sector to take note of the massive projected increase in visitors, the shortage of buses and boats, and the Government's incentives in this space. The Government is doing its part. The work on the Modern Cargo Port, scheduled for completion in 2025, will free up the area at the existing Kingstown port for additional cruise ship arrivals.

By the end of 2023, room stock on the island of Saint Vincent will expand by over 425 rooms, with the completion of the Holiday Inn Express and Suites at Diamond, the Mayah's Luxury

Suites at Junction, and the 300-plus room resort being built at Buccament by the Sandals International Corporation. Currently, the construction of Sandals Beaches Resort has over 250 local construction workers.

In addition, it has employed and trained over 200 Vincentians at Sandals International branches across the Caribbean region with the initiative to hire and train at least 500.

It is an undeniable fact that we have never experienced more hotel room construction in Saint Vincent and the Grenadines – ever. The Marriott Resort to be built at Mt. Wynne will begin construction in the first half of 2023. We are in the advanced stages of negotiations with a regional hotel developer that will provide required additional financing and manage the construction process efficiently. We continue to make strides with international airlift.

In March 2023, Saint Vincent and the Grenadines, for the first time, will welcome daily direct flights from the United States. In any given week, the Argyle International Airport welcomes scheduled commercial passenger jets from Miami, New York, Toronto, London and Caracas. Thanks to the AIA, the cargo flights operating into Saint Vincent and the Grenadines are larger and more frequent. Our Tourism Authority and the Sandals Corporation are now cooperating closely in our discussions with airlines regarding additional airlift, and the presence of Sandals in Saint Vincent and the Grenadines is giving us unprecedented access and traction with carriers, tour operators and travel agencies. This year, we will definitely make additional announcements regarding expanded international airlift to Argyle International.

Budget 2023 makes a series of significant investments in the further development or rehabilitation of tourism sites and attractions that were deprioritised during the Pandemic and in the aftermath of the La Soufrière eruptions. These includes:

- \$9 million will be spent on Fort Charlotte, Villa Boardwalk and Villa Beach Facility, Joseph Chatoyer National Park, Owia Salt Pond, Mt. Wynne Beach, and the restoration of the La Soufrière -Bamboo Range hiking trail.
- \$1 million towards Jackson Bay beautification project to establish bathrooms and vending facilities, install river crossings and river defence and provide picnic tables, benches, and facilities for local fisherfolk.
- A \$2.5 million investment for pavement of the existing dirt road leading to the resort in Buccament will ensure that the existing dirt road leading to the resort at Buccament for the grand opening end of the year.
- \$8.9 million will be spent to rehabilitate airport terminals and runways in Argyle, Bequia, Canouan and Union Island.
- 1 \$3.7 million is allocated to security, safety and equipment upgrades at our airports.

The Jackson Bay beautification will be the first project completed under the “Aesthetics Improvement of Layou, Barrouallie and Calliaqua Towns” project. This project will leverage the imminent arrival of resorts at Buccament, Mt. Wynne and Ratho Mill to beautify neighbouring towns and make them more attractive to nationals and tourists alike. We are determined to ensure that neighbouring communities benefit directly from the growth in our hospitality sector. The Jackson Bay project will be a flagship example of our beautification efforts.

## **Conclusion**

The next three years are crucial to tourism growth in Saint Vincent and the Grenadines and the sector's potential to accelerate development nationwide. We have investments in place and in the pipeline to drive exponential increases in our visitor arrivals. For example, in its first year of operations, Sandals alone is expected to drive a 50 percent increase in airline arrivals over 2019 levels. We will continue to push against our infrastructural limitations in cruise tourism and improve anchorages, services and safety to maximise our tremendous growth potential in yacht and superyacht tourism. The jewels of the Caribbean are ready to shine ever brighter, and Budget 2023 is demonstrably committed to catapulting our tourism product to higher heights.