

1. INTRODUCTION

The National Tourism Policy has been developed to present a vision and direction for tourism development in St. Vincent and the Grenadines over the next decade.

This document outlines the policy framework within which the Government of St. Vincent and the Grenadines expects the development of the tourism sector to evolve. It should not be seen as a strategic plan, but rather as a policy guide to potential investors, tourism sector managers and researchers. Public sector managers and other government officials should also find it useful, since the holistic nature of the tourism industry demands that all public sector officials have an understanding of how their actions and decisions could impact on development of the tourism sector.

This document could also serve as an informative source for the general public, workers in the tourism industry, and students who wish to understand Government's tourism policy and the role of Government and the other stakeholders in the development and management of the sector.

Tourism is seen as a vital source of revenue for Government, and as a means of employment for the people of St. Vincent and the Grenadines. A controlled and carefully managed tourism industry which responds to national development needs is encouraged and supported.

This development however, must occur within acceptable, established parameters with due regard to the impact on infrastructural services, local culture and values, and on the natural and man-made environment, which is the resource base on which the tourism industry in St. Vincent and the Grenadines depends.

An overall policy is required to ensure that tourism is developed in a sustainable, equitable and responsible manner to create a significant contribution to the economic development of St. Vincent and the Grenadines and to the quality of life of its people.

2. GOVERNMENT'S OVERALL DEVELOPMENT AGENDA

Government's macroeconomic policy framework is one founded on the principles of good governance, fiscal responsibility and accountability.

Given the country's vulnerability to both external economic shocks and natural disasters, the

Government of St. Vincent and the Grenadines pursues a strategy of economic diversification. This is intended to lessen the dependence on agriculture, traditionally the mainstay of the economy. Tourism is growing in significance and has been accorded priority in the new thrust. International financial services and information technology services have also been targeted as new growth areas.

Government has emphasised poverty eradication as a priority objective and has also focused heavily on education and public sector reform as critical elements to facilitate the drive towards economic diversification, international competitiveness and sustainable economic development.

Given the overall policy framework, the Government's development goal is to maximise the economic potential of the country in an effort to deliver higher and sustainable growth, reduce unemployment, eradicate poverty, and improve the general welfare of the population.

To achieve this goal, the following policy instruments are employed:

- Prudent fiscal management of public sector resources;
- Mobilising domestic resources including those of the diaspora, for development purposes;

- Improved and more focused legal and regulatory framework to facilitate investment;
- A focus on pro-poor policies, particularly equity in access to the factors of production: land, capital, labour and knowledge;
- Development of the human capital by providing access to quality education for all persons of school age;
- Pursuance of sustainable debt management strategies;
- Improvement in the delivery of public sector services;
- More focused and deliberate policies for improved implementation of programmes supporting economic growth and development;
- Improvement to the social and economic infrastructure;
- Implementation of a poverty reduction strategy;
- Strengthening the country's capacity for disaster management.

3. INTERNATIONAL TOURISM TRENDS

The international travel and tourism industry is facing unprecedented challenges because of

demographic shifts, changing lifestyles, values and rapidly evolving technologies. This dynamic and changing situation has made the concept of the "average traveler" redundant. However, some characteristics of tomorrow's customer provide pointers to their expectations:

- They are becoming more sophisticated, more educated and travel-experienced, and they demand increasingly higher standards. They require greater authenticity and more discoveries. They seek out the opinions of other travelers about destinations.
- They are more affluent, more physically and mentally active, and require a greater range of activity-oriented experiences. Activities and interests increasingly determine their choice of destinations. They also cultivate a clientele loyal to those that provide their favoured activities in a consistent, imaginative and high quality form.
- They are more self-aware in an increasingly stressful world, prefer less crowded environments and require time-efficient leisure time, particularly in regard to travel to and from their destinations.
- They look more for innovation in destinations and activities, and the facility to customize

packages to their personal needs. They value learning and self-improvement. They are more discerning and seek fulfilling experiences beyond mere relaxation. They want to become involved with their holiday environment, learn new skills and interact with the communities and cultures of their destinations.

- They look for holidays that have low impact on both the physical and cultural environments. “Eco-endorsement” systems such as the World Travel and Tourism Council’s Green Globe are influencing destination choices, and “eco-friendly” programmes are appealing to a growing segment of the market.
- They increasingly look for better value for money and transparent cost structures and they make comparative value judgments on a more global basis. They require clear “menus” of holiday options and their cost, but with the facility to easily customize their holidays. They are high users of information technology and seek immediate information and interactive reservation facilities.

[National Tourism Sector Strategic Plan 2002-2006]

4. TOURISM SECTOR DEVELOPMENT OBJECTIVES

The Government of St. Vincent and the Grenadines, recognises the tourism sector as the major engine of growth for the local economy in the foreseeable future. It has therefore determined that the growth and development of the sector must take place within a clearly articulated policy framework and in a strategic direction clearly defined.

This document, together with the National Tourism Sector Strategic Paper and its accompanying action plans, will be used to guide the development of the industry along an economically viable and socially acceptable path over the next decade.

The development of the tourism sector will therefore proceed in a planned and coordinated manner so as to ensure that maximum benefits are derived by the Government and people of St. Vincent and the Grenadines and by the investors in the industry; while at the same time ensuring that any potential adverse impacts on the physical and social environment and on the general quality of life of the population, are minimised.

The critical development objectives are therefore summarized as follows:

- To create an autonomous National Tourism Authority responsible for marketing St. Vincent and the Grenadines as a tourist destination;
- To achieve sustained growth in tourism as the lead sector to stimulate economic development, while preserving the natural and cultural resource base on which the industry depends;
- To establish an investment incentives regime to encourage local participation and the development of local entrepreneurial skills in the industry, as well as to attract foreign investment and expertise;
- To secure the greatest long term social, cultural and economic benefits from the industry, not only through its contribution to the macro-economy, but also in its direct impact on the local communities;
- To emphasise safety and security in order to ensure that St. Vincent and the Grenadines remains a safe and friendly destination for nationals and visitors;
- To ensure that tourism development is consistent with the protection and conservation of the nation's natural and cultural resources, moral values and traditions;
- To achieve and maintain strong linkages and improved cooperation among all stakeholders in

the development of the tourism product as well as in the marketing of this product;

- To establish a National Hospitality Training Institute to upgrade the human resource capacity and to absorb a large percentage of the pool of human capital which is available for training, particularly as we move to increase, improve and expand the inventory of hotel rooms and other accommodation facilities in the state.
- To establish and cement linkages between the tourism sector and other sectors in the economy, such as agriculture, cultural industries, agro processing, fisheries, etc. to ensure the retention of the highest percentage of the tourist dollar in St. Vincent and the Grenadines.

The tourism industry is poised to “lead St. Vincent and the Grenadines into the New Millennium, delivering greater economic growth and prosperity to the nation and all its inhabitants. Tourism will be developed in such a way that the resident population will have a better quality of life experience as key national assets, the people, the natural beauty of the islands and their cultural heritage are all

increasingly valued by more discerning visitors. Tourism will also play a pivotal role in developing new linkages and business opportunities within agriculture and other related sectoral activities.” [National Tourism Sector Strategic Plan, 2002-2006]

5. CRITICAL AREAS OF POLICY

Government's commitment to the development of tourism in St. Vincent and the Grenadines will be manifested in several critical areas of policy directed at achieving the overall goals and objectives as set out above.

- Tourism marketing will continue to be a critical component of the overall tourism development policy. Government will target specific segments of the market with a special thrust towards the middle to upper income brackets of the travel trade, so as to allow for the highest level of expenditure per visitor.

The diversity which is St. Vincent and the Grenadines naturally lends itself to the

promotion of special interests such as eco tourism, sports tourism, health tourism, yachting, scuba diving and the honeymoon market. Particular attention will be paid to the promotion of St. Vincent and the Grenadines as a scuba diving destination.

- Government will plan astutely in order to achieve compatibility between tourism and the environment, through rational land use and the integration of environmental considerations into the tourism planning process. While programmes will be implemented to extract maximum economic benefits from the natural and cultural resources, due care and attention will be given to the protection and preservation of the environment, so as to ensure sustainability in the tourism development process.

Based on this approach, a system of national parks and protected areas will be developed, with inter ministerial and inter sectoral collaboration being vital to this process.

- The development of eco tourism and its derivants will receive priority attention, particularly as this relates to developments on mainland, St. Vincent. This type of tourism reduces some of the negative effects of the industry while maintaining some of its

benefits; among them: a better spread of the economic benefits, lower investment requirements and increased direct benefits to rural development.

The strength and future development of the tourism industry will depend in a large measure on the prudent management and protection of the natural resources and the extent to which the population in general and those in the rural communities in particular, see themselves as direct beneficiaries from the commercialization of these resources.

- Government will seek to forge deeper links among the agencies within the public service on which the tourism industry draws support.

Because of the interrelation between tourism and other sectors such as health, education and the security services, the need for a system of networking assumes greater significance. There is a growing recognition of the need for compatibility between the tourism industry and the environment. Without a clean and healthy environment, the industry will fail.

Similarly, the role of the security services and of tourism's dependence on these cannot be underestimated. A safe and comfortable environment is a prerequisite for tourism

development. Much in the same way, formal and public education and the nurturing of a new service oriented culture among the population enhance the development of the industry. Positive and deliberate interaction among the public sector agencies responsible for the various disciplines is absolutely imperative if the desired results are to be achieved.

- Government will actively pursue the development of the cruise and yachting sectors. The focus will be one of increasing cruise arrivals to Port Kingstown, thus converting it into the premiere port of call in the country. The policy is to encourage ships of five hundred passengers or more to call at Port Kingstown, considering the fragility of the smaller Grenadine islands.

The yachting sector will be encouraged through accelerated promotion of this activity, but central to this thrust will be the development of a marine tourism plan to regulate operations of the ships and to adequately address revenue considerations.

- One of the corner stones of Government's tourism policy is the critically important aspect of human resource development in the sector.

If tourism is to assume its rightful place in the economy, the managers of this process of change and development must be adequately equipped to undertake the tasks involved. Training of public and private sector personnel, the development of the social infrastructure and the strengthening of the institutions will be prioritized to allow for professional management of the process of tourism development. Government will also target tourism education at the formal school system and by establishment of a Hospitality Training Institute.

- Sports, culture and heritage will feature prominently in Government's drive to diversify the tourism product. There is an ever-increasing segment of the international travel market seeking holiday experiences which are not limited to sun, sea and sand activities, but focus on greater interaction with the host population, learning more about its culture and history.

Similarly an embryonic linkage is evolving between sports and tourism. Sports is now seen as a viable drawing card to attract visitors combining participation in sports and vacationing. This type of tourism will be

vigourously pursued, with the development of the physical infrastructure to accommodate regional and international sporting events.

- The legislative and regulatory framework to facilitate private and public sector initiatives in the business of tourism will be provided. A review of the fiscal incentives regime will be undertaken to create opportunities for expansion for the non-hotel sectors; industry standards and licensing will be legislated to ensure that minimum standards are maintained; hospitality sector worker legislation will be enacted and legislation related to visitor safety and environmental preservation will be enforced.
- In order to further advance tourism development in St. Vincent and the Grenadines, Government will work within the framework of bilateral and multilateral cooperation both at the regional and international levels. In this respect, active participation in and collaboration with organisations such as the Caribbean Tourism Organization will be pursued in order to derive maximum benefits from those linkages.

6. INSTITUTIONAL FRAMEWORK

The very nature of tourism requires that there be very close collaboration and cooperation among the various stakeholders and interests in the public and private sectors. The non-governmental and community organisations also have an important stake in the development of the tourism industry.

The public sector agencies which are involved include: the Ministry of Tourism, the National Tourism Authority/Board and the National Parks, Rivers and Beaches Authority. The private sector agencies include the St. Vincent and the Grenadines Hotel and Tourism Association and other organisations representing the non-hotel sectors of the industry. The non-governmental organisations are those which are community based and with which the Governmental agencies interact.

6.1 ROLE OF GOVERNMENT AGENCIES

6.1.1 MINISTRY OF TOURISM

The Ministry of Tourism is the government agency charged with the oversight responsibility of the tourism development process in St. Vincent and the Grenadines.

The mission of the Ministry is “to position St. Vincent and the Grenadines as a diverse, globally competitive tourism destination through effective planning, management and sustainable use of the natural and cultural resources of the country; while facilitating the preservation of the cultural heritage as a vehicle for instilling national pride and forging national identity.”

This mandate of the Ministry includes but is not limited to the following functions:

- Formulation of tourism policy and ensuring that these policies are implemented by the agencies;
- Identification, development and implementation of the relevant and appropriate legislative and regulatory framework for the industry;
- Receiving and submitting budgets of the National Tourism Authority and the National Parks, Rivers and Beaches Authority for approval of Cabinet and channeling funds from central government to these agencies.
- Coordinating and networking the programmes of the different agencies to avoid duplication of efforts;
- Monitoring the performance of the industry and its impact on socio- economic development;

- Spearheading product development activities, particularly as these relate to minimum standards in the industry, air access; facilitating investments and developing human resource capacity;
- Providing the statistical data base, trend analysis and projections for planning purposes.

6.1.2 THE NATIONAL TOURISM AUTHORITY/BOARD

The National Tourism Authority will to a large extent focus on tourism marketing and promotion, public awareness and education, training and research. Specifically, the Authority will:

- Develop and implement destination marketing and promotion programmes;
- Coordinate the activities of the overseas tourism offices;
- Design and implement tourism awareness and public education programmes;
- Approve programmes and supervise the activities of the Public Relations companies working in the source markets;
- Undertake market analysis;

- Oversee the licensing and operations of tourism facilities in collaboration with the Ministry of Tourism.

6.1.3 THE NATIONAL PARKS AUTHORITY

The National Parks, Rivers and Beaches Authority will be responsible for the development and management of all designated parks, protected areas, recreational sites and natural tourism attractions.

The Authority will under the National Parks system, serve as the mechanism to address the concerns of both the tourism industry and the environmental issues in an integrated, holistic way, giving due consideration of the dependence of tourism on the quality of the natural and environmental resources.

Specifically, the Authority will:

- Identify and develop potential areas which can be used for recreational purposes;
- Provide visitor amenities on all sites and provide for security in the Parks System;
- Coordinate community participation in co-management arrangements;

6.1.4 INVESTMENT PROMOTION AGENCIES

Government will facilitate the appropriate and relevant agencies in their tasks of promoting investments and expediting the processing of investment proposals, including the administration of the applicable regime of fiscal and other incentives.

The Ministry of Tourism and the National Tourism Authority will actively collaborate with the appropriate agencies in identifying, attracting and negotiating with potential investors for investments in the tourism sector.

Proposals for investment in the tourism sector will be endorsed by the Ministry of Tourism, and in the consideration and approval of projects, priority attention will be given to those proposals which meet the criteria as set out in Section 8 of this document.

6.2 ROLE OF THE PRIVATE SECTOR

It is expected that private sector organisations and individual businesses will play a leading role in implementing the tourism policy of the country,

since these are the investors who provide direct services to visitors through their respective establishments.

The role of the private sector will include:

- Active participation in the management and the strategic direction of the National Tourism Authority;
- Investing in the tourism sector given the opportunities provided by Government through the incentives regime;
- Providing a range of services which meets minimum international standards and delivering value for money;
- Supporting and promoting the use of local products and services;
- Collaborating with the National Tourism Authority on destination marketing.

6.3 ROLE OF NON-GOVERNMENTAL ORGANISATIONS

Non-Governmental Organizations (NGOs) and Community Based Organisations (CBOs) are considered a vital component of the triangular partnership concerned with tourism development issues.

The public sector agencies will work closely with these organizations in the development of proposals for community based tourism projects. They will play leading roles in the management of these projects and are expected to share in the economic benefits that may accrue.

These organisations will be encouraged to integrate tourism and environmental issues into their planning and to assist with tourism public awareness and public education, as well as to provide a broader, participatory approach for the achievement of tourism development objectives.

6.4 REGIONAL AND HEMISPHERIC COOPERATION

Government will work closely with regional organizations such as the Organization of Eastern Caribbean States (OECS), the Caribbean Community (CARICOM), the Association of Caribbean States (ACS), the Caribbean Tourism Organisation (CTO), the Caribbean Hotel Association (CHA), the Caribbean Development Bank (CDB), the Caribbean Conservation Association (CCA) and the Organisation of American States (OAS), to further the

development of tourism in St. Vincent and the Grenadines.

It will endeavour to ensure that St. Vincent and the Grenadines derive maximum benefits from this association and from the grants and technical assistance that are available for the tourism sector from these external agencies.

7. DEVELOPMENT CONTROL

7.1 ENVIRONMENTAL PROTECTION AND CARRYING CAPACITY

The tourism carrying capacity of St. Vincent and the Grenadines, as individual islands and as a single destination will be determined in all its dimensions, in order to set overall limits on the eventual size of the tourism plant and the optimum number of visitors which the country can accommodate in any one period.

New tourism enterprises must be designed, located and serviced in a manner consistent with the objectives of environmental and energy conservation, and the protection of St. Vincent and the Grenadines' natural beauty and resources, as recommended in the National Environmental Action

Plan. All tourism development projects and investments shall strictly adhere to the established planning requirements.

Government is committed to becoming a signatory to conventions that will help to safeguard the Caribbean Sea as a sustainable tourism zone. To protect the coral reefs from damage by visitors, fishermen and other resource users, and to conserve marine life generally, government shall designate areas of the country's coastal waters as Marine Parks wherever necessary.

7.2 COASTAL ZONE MANAGEMENT

- Government will place greater emphasis on coastal monitoring with the aim of establishing a continuous and reliable database on beach changes and water quality, and the formulation of rational responses to threats posed by marine pollution, beach erosion, reclamation of mangrove swamps, sand mining, sea level changes, etc.
- A strict coastal setback for new development shall be implemented and rigidly enforced and beach vegetation shall be protected.

- The sand and gravel mining policy shall be strictly adhered to.
- An oil and hazardous materials spill contingency plan will be developed in line with existing international conventions, and a spill response capability created to deal with oil pollution in port and coastal areas, including strong penalties for offenders.

8. STATEMENT OF PRINCIPLES

8.1 INVESTMENTS

Government is well aware of the important role that foreign direct investment can play in economic development. It therefore encourages and welcomes foreign investors, particularly those with the required technologies at their disposal, with knowledge of the market requirements and whose business interests do not conflict with existing laws, particularly the labour related laws.

Government actively encourages the participation of nationals, both local and overseas based in investing in the tourism

sector and will provide the incentives for such investment.

8.2 LICENSING AND REGULATIONS

Government requires the licensing of all operators of tourism enterprises and providers of tourism services, including accommodation facilities, restaurants, water sports, taxis and other ancillary services. All air, land and water transportation services must be duly registered and licensed by the relevant authorities and easily identifiable, in order to provide those services in the sector.

The granting of licenses shall be conditional on certification or prior training, acceptable to the Ministry and to the National Tourism Authority, supported by a system of inspection and adherence to established minimum standards, to ensure an acceptable level and quality of service.

Licenses will be renewable and the failure to adhere to requirements will result in the withholding of licenses.

8.3 WORK AND RESIDENCY PERMITS

Work permits will be granted (for an initial period of one year and renewable thereafter) to foreign nationals where suitable qualified Vincentian nationals are not available, or to senior executives, where linked to a major development.

Senior executives are defined as general managers, resident managers, food and beverage managers, chief engineers, financial controllers and sales directors/managers. Where work permits are approved, they will be linked to training and succession plans for locals over a period of 3 - 6 years.

Persons wishing to reside in St Vincent and the Grenadines will be granted residence permits once all the necessary conditions are satisfied.

8.4 FISCAL INCENTIVES

Government is committed to the provision of fiscal and other incentives to encourage

investments in the sector. These incentives will be administered under the Tourism Incentives Act and will include duty exemption on building materials, furnishings, equipment promotional materials and other approved items as determined by Cabinet. Beneficiaries will also be exempted from income taxes up to a period of twenty years.

8.5 INFRASTRUCTURE

Government will ensure that the quality of the infrastructure including roads, water supply, waste management, air and sea port facilities, telecommunications and electricity services, etc. continue to keep pace with the needs of an expanding tourism sector.

Government will aggressively implement throughout the country a plan to establish a strategic network of diverse, high quality visitor attractions both natural and man-made, to meet the interests and time limits of all visitors and residents.

8.6 PUBLIC ACCESS

All beaches (below the high water mark), rivers, waterfalls and other natural attractions in St. Vincent and the Grenadines are public areas. Government shall ensure that the general public has free and unrestricted access to these public assets.

8.7 LICENCE FEES

All yachts and commercially operated pleasure crafts plying the waters of St. Vincent and the Grenadines will be subjected to annual licence fees as stipulated in the Yacht Licence Act and other related legislation.

8.8 PHYSICAL PLANNING AND ZONING

All new tourism infrastructure developments must adhere to the established town planning requirements and the zoning regulations as stipulated in the National Physical Development Plan. No development will be allowed in areas designated as National Parks, Reserves and Protected Areas.

Major development projects are required to be preceded by sound Environmental and Social Impact Assessments.

8.9 GAMING

Consideration will be given for the grant of licences for the establishment and operation of a casino or other gaming facilities, particularly so, when the investment is linked to a hotel development of 100 rooms and over.

8.10 MINIMUM STANDARDS

All service providers in the tourism industry will be expected to conform to minimum standards as stipulated in the Tourism Standards Act. Periodic assessments of these establishments will be undertaken to ensure conformity with the Act. The grant of fiscal and other incentives to service providers will be contingent on the requirements for minimum standards being met.

8.11 PROHIBITED ACTIVITIES

- The importation and use of jet skis and similar high-powered marine craft will not be allowed.
- No live-aboard dive operation shall be allowed to operate within the waters of St. Vincent and the Grenadines, whether from a local or foreign base.
- Unauthorized removal of artefacts and other items of historical significance, rare species etc. whether found on land or in the sea, is strictly prohibited.
- Dumping of liquid or solid waste by ships utilizing the anchorages in the state is strictly prohibited.
- No spear fishing, anchoring or removal of black coral is permitted on the coral reefs.
- Camping is only allowed in designated camping areas with the necessary amenities to accommodate this type of activity.
- Tourism based on sex and on the exploitation of children will not be permitted nor tolerated.

9. CONCLUSION

Over the medium to long term, tourism will continue to be earmarked as a priority sector for development. As a major economic activity, it has demonstrated its capacity to earn foreign exchange, generate employment and significantly contribute to the national economy.

Government will ensure that adequate resources are allocated and support systems put in place to facilitate private sector investments and to establish and promote an excellent image of St. Vincent and the Grenadines in the main source markets.

The policy framework as outlined above, underscores the central role that the tourism industry is expected to play in the medium to long term development plans of Government. It is imperative therefore that the strategies, programmes and projects which follow are consistent with this thrust, so that the national development objectives could be achieved.

