

## **JAMAICA'S TOURISM POTENTIAL**

The importance of travel & tourism to the Caribbean is indisputable. However, the industry's potential is a long way from being fully tapped, and both government and industry will have to overcome a number of challenges to ensure sustainable long-term growth.

Jean-Claude Baumgarten  
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The question that needs to be asked with regards to the impact of tourism on Jamaica is do we in Jamaica know the real potential of the industry?

The World Travel And Tourism Council (WTTC) the business leaders' forum for travel & tourism, works with governments to raise awareness of the importance of the world's largest generator of wealth and jobs: Tourism.

The WTTC in association with The Oxford Economic Forecasting Group, produced the 2004 Tourism Satellite Accounting report. Founded in 1981, OEF is now one of the world's leading providers of economic analysis for businesses large and small, international organisations; government departments and central banks with over 300 clients worldwide. OEF offers consultancy across a broad span of economic issues, drawing on its own staff and the close links it maintain with Oxford University and a range of partner institutions in Europe and the US.

This 2004 report for Jamaica is the fourth set of Tourism Satellite Accounting research that Oxford Economic Forecasting (OEF) has prepared for WTTC.

The message from this year's research is generally positive on a global basis for a healthy return to growth. On a more specific basis in 2004, Jamaica's Travel & Tourism Industry is expected to generate 11.8% of GDP and 130,312 jobs, while the broader Travel & Tourism Economy is expected to total 36.0% of GDP and 387,403 jobs. Looking ahead, the forecast for Travel & Tourism Demand is expected to total 12.0% real growth in 2004, and 3.9% real growth per annum between 2005 and 2014. This WTTC research quantifies and documents the Travel & Tourism economics for Jamaica, the first step towards addressing mission-critical issues such as tourism management, tourism marketing and promotion, tourism infrastructure, taxation, aviation policy and much more.

## TOTAL DEMAND

Jamaica travel & tourism is expected to generate JMD207.3 bn (US\$3,300.7 mn) of economic activity (total demand) in 2004, growing (nominal terms) to JMD568.8 bn (US\$6,852.8 mn) by 2014. Travel & tourism demand is expected to grow by 3.9% per annum, in real terms, between 2004 and 2014.

## EMPLOYMENT

Jamaica T&T economy employment is estimated at 387,403 jobs in 2004, 31.8% of total employment, or 1 in every 3.1 jobs. By 2014, this should total 538,957 jobs, 38.1% of total employment or 1 in every 2.6 jobs. The 130,312 t&t industry jobs account for 10.7% of total employment in 2004 and are forecast at 190,193 jobs or 13.5% of the total by 2014.

## GROSS DOMESTIC PRODUCT

Jamaica's t&t industry is expected to contribute 11.8 per cent to gross domestic product (GDP) in 2004 (JMD54.7 bn or us\$870.5 mn), rising in nominal terms to JMD161.8 bn or us\$1,948.8 mn (14.8 per cent of total) by 2014. The t&t economy contribution (percent of total) should rise from 36.0 per cent (JMD166.3 bn or US\$2,647.8 mn) to 42.9 per cent (JMD 467.5 bn or us\$5,631.9 mn) in this same period.

## CAPITAL INVESTMENT

Jamaica travel & tourism capital investment is estimated at JMD40.0 bn, US\$636.6 mn or 32.3 per cent of total investment in year 2004. By 2014, this should reach JMD94.8 bn, US\$1,142.1 mn or 32.9 per cent of total.

## PERSONAL & BUSINESS

Jamaica personal travel & tourism is estimated at JMD25.7 BN, US\$408.8 mn or 8.4 per cent of total personal consumption in year 2004. By 2014, this should reach JMD62.5 bn, US\$752.9 mn or 8.8 per cent of total consumption. Jamaica business travel is estimated at JMD 9.7 bn, US\$154.4 mn in year 2004. By 2014, this should reach JMD24.5 bn or US\$295.2 mn.

Personal Travel & Tourism, more formally known as consumer expenditures, which captures spending by economy residents on traditional Travel & Tourism services (lodging, transportation, entertainment, meals, financial services, etc) and goods (durable and nondurable) used for Travel & Tourism activities.

Business Travel by government and industry, which mirrors Personal Travel & Tourism's spending on goods and services (transportation, accommodation, meals, entertainment, etc), but represents intermediate inputs used in the course of business or government work.

## EXPORTS

Visitor exports play an important development role for the resident travel & tourism economy. Jamaica travel & tourism is expected to generate 47.9 per cent of total exports (JMD19.1 bn or us\$1,895.9 mn) in 2004, growing (nominal terms) to jmd355.9 bn or us\$4,288.3 mn (51.6 per cent of total) in 2014.

At the same time, greater co-operation between all leading policy-makers – and the private sector – as well as better management of tourism growth, could help Jamaica do even better than the current forecasts suggest. This could help maximize the benefits and ensure they are evenly spread across Jamaica.

While the baseline forecasts for Jamaica travel & tourism over the next ten years are generally positive, they nonetheless highlight a few weaknesses that could hinder travel & tourism's growth. WTTC also maintains they may prevent the Jamaican economy from attaining its true travel & tourism potential in the longer term.

In order to enhance the ability for Jamaica to seriously capitalize on tourism the following areas need to be fine-tuned and remain so:

- **RAISING AWARENESS**  
Travel & Tourism is without question the foremost export sector in Jamaica and possesses the inherent ability to diversify the Jamaican economy, stimulate entrepreneurship, catalyse investment,

create large numbers of sustainable jobs and help social development in local communities. However, the impact of the industry is generally not understood by public officials, the industry itself, or the communities where it takes place. Among the issues identified in the process of WTTC's research, raising awareness of Travel & Tourism's role and contribution to Jamaica is perhaps the most mission-critical issue that faces Jamaica, by extension, its impact is all consuming.

- **INDUSTRY MEASUREMENT**

Jamaica's economic- and marketing-related Travel & Tourism research and forecasting are generally inadequate, both in terms of quality and quantity. As a result, public sector analysis and related policies tend to overlook or understate the impact of the industry, or deal only with its smaller individual components.

- **MARKETING AND PROMOTION**

Experience has shown that demand for any tourism destination grows sharply if marketing and promotions are well funded and effective. In Jamaica our approach to Tourism in this area seem to be cyclic to put it euphemistically.

- **NATURAL ENVIRONMENT**

The quality and success of the Jamaican tourism product is dependent, in large measure, on the maintenance of a healthy and attractive natural environment. In Jamaica, there is a need for improved planning and management to increase the technical expertise required in the areas of pollution monitoring, coastal zone management, and the preparation and evaluation of Environmental Impact Assessments (EIAs).

- **COMMUNITY DEVELOPMENT**

There is fairly widespread concern that the benefits from tourism in Jamaica might not be reaching those who need them most and that, despite the impressive growth statistics, tourism is not doing as much as it could to relieve existing problems of unemployment, poverty and social dislocation. There has been some attempts at community tourism, which is ongoing but the support of this effort has not been supported to the extent it should. This needs to be revisited.

- **SAFETY, SECURITY AND HEALTH**

Among the broad forces driving change in the tourism industry today, traveller safety and health are becoming two of the most influential. Crime, harassment and other forms of anti-social behaviour, along with hazardous and unhealthy facilities, are some of the major threats – real or perceived – to the development of the industry. Such problems frustrate national efforts to maintain Jamaica's image as a safe, clean and hospitable tourism destination.

What has been outlined above is Jamaica's Tourism Potential. The Tourism Minister's report for 2004 will tell us what actually occurred. The difference between the Potential and Actual is the Potential Gap. It should be noted these projections did not include the effects of Hurricane Ivan.