

Prepared for:
Cayman Islands Ministry of Tourism

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**'FOCUS FOR THE FUTURE'
A
TOURISM POLICY FRAMEWORK
For
THE CAYMAN ISLANDS**



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PREFACE

Tourism is increasingly becoming the main lifeblood of the Cayman Islands economy. The complexities and nature of the tourism business, dictate that the industry needs to be carefully managed and monitored, so that benefits are maximised and adverse impacts minimised. In order to manage the industry effectively and ensure that it develops in an environmentally and socially sustainable manner, strong policy intervention by government is required.

With this in mind, the Ministry of Tourism commissioned The Tourism Company out of the UK in June of this year to develop a new five-year Tourism Management Policy Framework for the Cayman Islands. This document entitled “**Focus for the Future**” has been produced following extensive consultations with Government officials, private sector stakeholders, interested parties and the general public. It also draws on the significant amount of secondary tourism research information that exists on the sector in Cayman, as well as best practices from around the globe.

Similar to previous studies of this nature, this document provides a consensual blueprint and charts a course for developing our tourism sector to the benefit of all. Unlike previous studies though, we are determined to act upon this report and not to allow it to be relegated to the bookshelves of a few persons for dust collection. The challenge is now to ensure its implementation and I urge you to keep this document on the forefront of the national agenda. My Ministry and the Department of Tourism looks forward to working with all stakeholders, to ensure that as many recommendations included in the report are implemented over the next five years. Remember **tourism is everyone’s business**, so please do your part.

Hon. W. McKeeva Bush, OBE, JP
Leader of Government Business
Minister of Tourism, Environment, Development and Commerce

December, 2002

1. SETTING THE SCENE

1.1 Introduction

Since the 1950s, tourism has been a vital part of the economy of the Cayman Islands; it has also contributed to the quality of life and helped raise the profile of the Islands on the international stage. However, the history of consistent growth and prosperity in the industry is no longer assured. There are new issues impacting on tourism at an international level to add to concerns that have been identified locally.

This Policy Framework sets the parameters for tourism development for the next five years. The brief requires that this should be closely linked to sustainable development and environmental protection, ie the "*principles of balanced growth and integrated policy*" at the heart of Vision 2008¹. Indeed, Vision 2008 provides clear guidance on the popular vision for tourism.

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

This Policy Framework is aimed at 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 impacts 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 Why tourism matters

1.2.1 Tourism is important for the economy

Tourism and financial services underpin the Cayman Islands' economy. There are no other exports of significance. Whilst there are no current measures of GDP, broad guestimates suggest that tourism contributes anything from 30-50% to GDP and foreign exchange earnings from tourism could be as much as 70%² of the total. It is estimated³ that tourist spending in the Cayman Islands supports something in the region of 7,000 jobs which is around 30% of all employment in the country.

In 2001, visitors spent just under US\$600m (stayover and cruise) in Cayman, nearly \$15,000 for every resident⁴. This is a major contribution to the economy, supporting a wide range of businesses and generating employment opportunities for Caymanians

¹ Vision 2008, The Cayman Islands National Strategic Plan

² Moodys Investors Services 2001

³ Office of Statistics/CIDoT

⁴ Details in Chapter 3.

and expatriates. As this spending percolates through the economy it creates further economic spin-offs, often referred to as the multiplier effects.

Given current uncertainties in the financial sector, it is even more important that tourism is developed and managed in such a way as to ensure long-term prosperity and success.

The Cayman Islands need to pursue tourism because, first, this is where it's comparative advantage lies and, second, there are few alternative sectors for Cayman. Tourism also supports the development of vital infrastructure, which is good for all business and helps support and balance other economic activities.

1.2.2 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 eg:

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

Tourism also has negative impacts on the community. Tourism has impacted directly on the natural environment eg Seven Mile Beach and it has also 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 in 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.

1.3 Why we need a Policy Framework

The tourism industry is made up of many businesses, most of them small and independent. Working alone, these enterprises cannot manage and sustain tourism on the Islands. To do this they need to co-operate, co-ordinate activity and work to a common goal. 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. It is crucial, therefore, that all parties co-ordinate their activities and create the right climate for the industry to flourish. Tourism can't just be left to develop unchecked; it needs to be managed in a sustainable way. A policy framework is needed to ensure that everyone involved in tourism is aware of the overall goals and parameters and is pulling in the same direction.

1.4 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 4). We then go on to outline a way forward (chapter 5) and the final part (chapters 6 and 7) sets out the action that is required over the next five years.

2. VISITORS TO THE CAYMAN ISLANDS

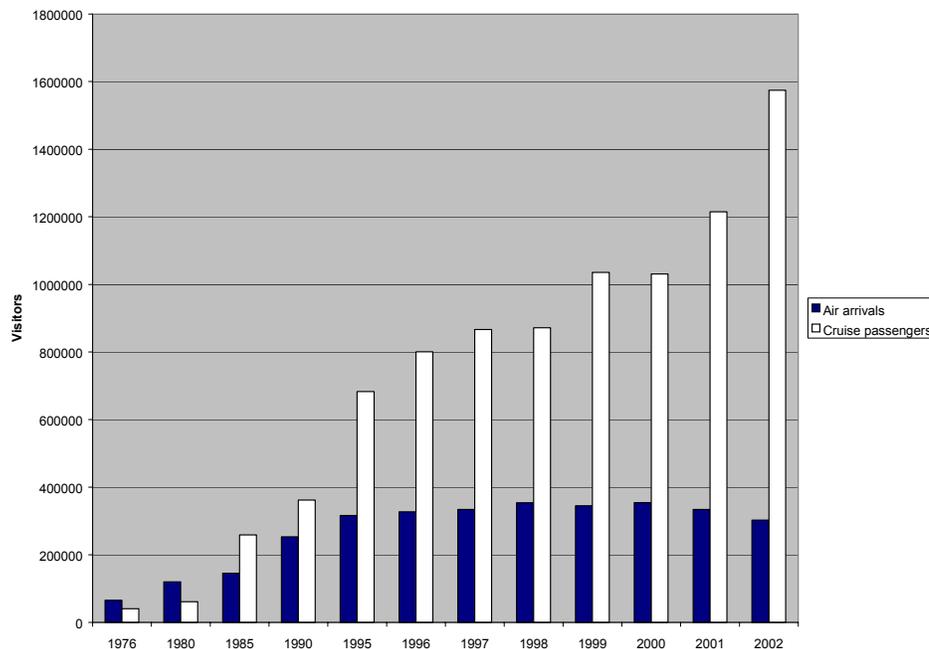
2.1 Size and value of the Cayman tourism market

For the last 25 years, the Cayman Islands has welcomed an ever-increasing number of visitors year-on-year, reaching a peak of 1.88 million in 2002. This was made up of 302,797 stayover visitors and 1,574,750 million cruise ship visitors.

The number of stayover visitors grew steadily through the early 1990s but since then there has been a clear decline. In 2000, there were 354,000 air arrivals, which dropped 5.6% to 334,000 in 2001 with a more pronounced drop of 9.4% to 302,797 in 2002. Overall, stayover visitors have fallen 14.4% between 1998 and 2002⁵.

Cruise ship visitors have grown rapidly to 1.6 million in 2002, up 29.6% from 2001, and are scheduled to reach 2.1m in 2003.

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



Year	1976	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002
Air arrivals (000s)	65	120	145	253	316	327	334	354	345	354	334	303
Cruise arrivals (000s)	40	61	259	361	683	800	867	871	1036	1031	1215	1575

Source: CIDoT

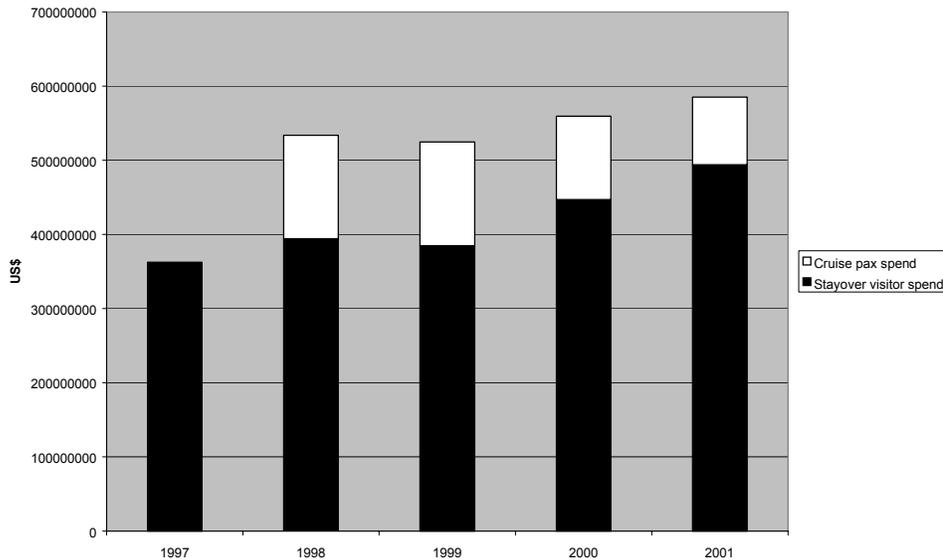
Note: Figures for 1994 - 1999 are estimates, owing to data errors.

⁵ Note the fragility of the data. Data errors were found in the 1990s and estimates have had to be made for figures from 1994-1999.

The average length of stay of visitors staying over the last decade has fluctuated but always remained within the bounds of 4.5-5 days for hotels and 6.5-7.3 days in non-hotel accommodation (apartments/condos, guest houses, villas etc).

Unfortunately, visitor expenditure data are not comprehensive but the data available suggests it has grown inexorably with stayover visitors making a relatively much greater contribution⁶. Although cruise ship passengers account for three quarters of all visits, spend per head is small in comparison to stayover visitors. Stayover visitors spend twelve times as much per head.

Figure 2.2: Visitor expenditure in the Cayman Islands



Source: CIDoT

Note: 1997 data for cruise not available; for 2001 the sample available to estimate cruise expenditure was very small

Table 2.1 shows how that expenditure was distributed in 2001.

Table 2.1: Visitor expenditure in the Cayman Islands (US\$), 2001

Expenditure/capita	Cruise	Stayover	Combined impact
Per Capita Total Spending	74.99 ^{1,2}	1,478.84	
No of visitors	1,214,757 ³	334,071	1,548,828
Total Spending	\$91,094,627	\$494,037,558	\$585,132,185

Source: CIDoT. (In 2001, survey samples were small and undertaken only in the first and fourth quarters.)

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 100% disembarkation

There has been no economic impact study to assess the full contribution of tourism to the local economy ie translating the tourism-related expenditures of visitors, tour/cruise operators and the public sector into employment and value added impacts for the Cayman Islands (including the generation of government revenues).

⁶ Visitor expenditure data is gained from self-completed questionnaires.

Clearly, there is now considerable concern at the decline in stayover visitor numbers and its impact on the national economy. There is also concern that the proportion of visitors to the Sister Islands remains very small ie 3-4% of the total stayover visitors while they have approximately 7% of all bedrooms on the Cayman Islands.

External factors have undoubtedly played a part in the recent decline; the slowdown in the US economy and security concerns since 9/11 have affected many destinations but it appears that Cayman has fared particularly badly compared with the rest of the region. Only the Dominican Republic, Turks & Caicos and St Maarten have fared worse than the Cayman Islands⁷.

Much of the growth in cruise ship arrivals is to do with the redeployment in 2002 of cruise ships to 'safer' waters such as the Caribbean along with Government policy that sought to attract the business as stayover visitors declined. This policy still prevails⁸. The number of arrivals may fall back again as and when security concerns diminish although, given the plans for improved cruise ship infrastructure, there may be further pressure to increase numbers. The Cayman Islands ranked 5th in the Caribbean in terms of cruise ship passengers in 2001, behind the Bahamas, USVI, Cozumel and Puerto Rico. George Town is probably experiencing one of the highest ratios of cruise passengers to local population of any port in the world.

The growing imbalance between the two visitor types is one of the over-riding issues raised by tourism stakeholders in the Cayman Islands. Such large volumes of relatively low spending visitors⁹ is seen as a deterrent to stayover visitors, seriously diminishing the quality of the experience in George Town and at the key attractions eg Stingray City. It is also seen as a major contributor to congestion and the quality of life for residents.

Notwithstanding the economic impact of visitors, there is a body of research that has analysed the impacts of significant numbers of visitors on local communities. One index has referred to the ratio of 8 stayover visitors to 1 resident as the point at which social stress and serious social problems appear at other island communities¹⁰. The ratio in the Cayman Islands has exceeded that threshold (40,000:354,000 ie index of 8.85) but that does not take account of the cruise ship passengers.

KEY ISSUE: *The number of visitors to the Cayman Islands has grown substantially. Cruise ship passengers far outnumber stayover visitors although their contribution in financial terms is far less significant. However, the number of high spending stayover visitors has declined over the last three years while there is an ever-increasing number of relatively low-spending cruise ship visitors with associated management problems.*

2.2 Type of visitor to the Cayman Islands

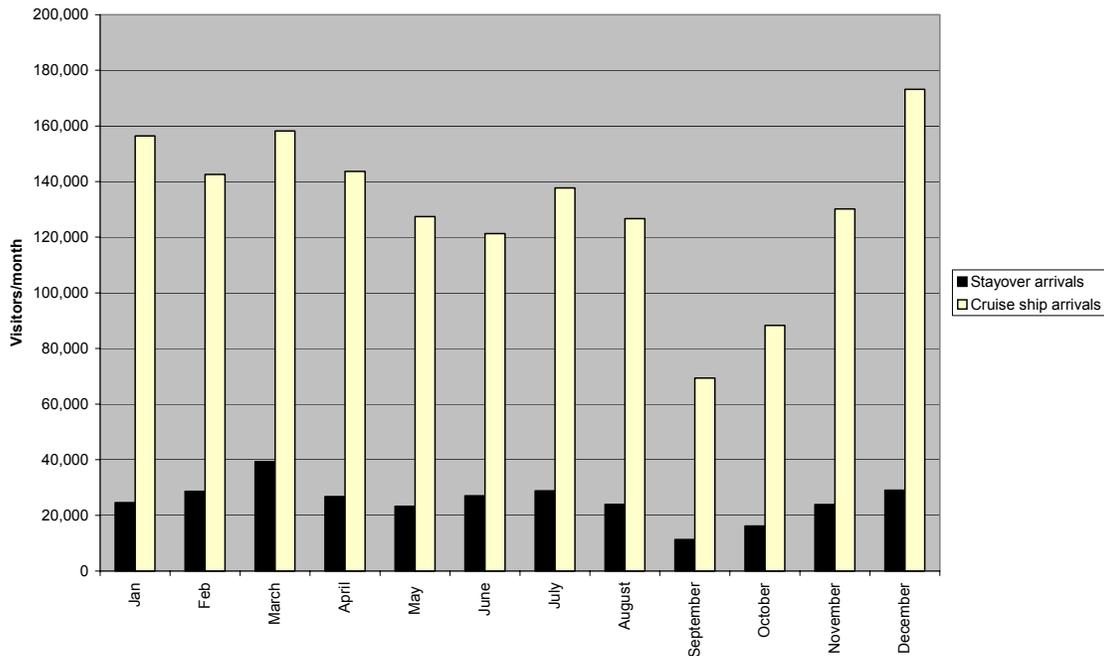
Stayover and cruise ship passengers arrive throughout the year with the main peak in March and a smaller peak in the summer.

⁷ CTO figures for 2002, Jan - July.

⁸ Presentation by Hon McKeeva Bush 20 June 2002

⁹ There is some concern that the data on expenditure may include some double-counting by passengers and that the quoted figures may be inaccurate

¹⁰ Quoted in Laventhol and Horwath, 1981 Tourism Study

Fig 2.3: Seasonality of visitors to the Cayman Islands (2002)

Source: CIDoT

2.2.1 National market segments

The vast majority of visitors come from the USA (c80%) with 5% from Jamaica and 4% from Canada and UK respectively¹¹. Most American visitors originate in the North East, followed by Florida and Texas. The core market for the Cayman Islands can be characterised as affluent couples with a particular interest in diving/water sports, ie white collar workers aged 45 and over. Visitors tend to be couples rather than families, staying for up to one week on average and visit regularly.

Most Canadian visitors originate in Ontario and tend to travel November to April. They spend longer (average length of stay 7.5 days) than Americans but the length of stay has come down significantly over the years. The average visitor will be 30-50, travelling as a pair and relatively affluent. There is some evidence to suggest 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).

The Europeans have longer holidays than their US counterparts and so stay longer (average 9.44 days) although they spend the least per capita per day. This is probably a reflection of the high proportion of VFR visitors. The average visitor tends to be 25 years +, from the higher socio-economic groups, travelling as a couple. They too are less likely to dive (only 20%) than their American counterpart. They are more concerned about the quality of entertainment, island attractions and taxis.

¹¹ Data based on 1997-2001 CIDoT statistics

Table 2.2: Visitor profiles in the Cayman Islands

<p>Stayover visitors tend to be:</p> <ul style="list-style-type: none"> • Well-educated and affluent: <ul style="list-style-type: none"> • About a third of visitors are managerial or professional. Over 80% of visitors are graduates; • The average annual household income is over US\$127,000 in 2001. • Loyal, regular visitors: <ul style="list-style-type: none"> • 46% of visitors are repeat visitors although this is down since 1995; • They come mainly as couples; the average party size is 1.9 people; • A growing number of younger, single professionals; • The average age is 45 with 75% of visitors between 30 and 60; • Over half the visitors stay in hotels with a quarter in condos and the balance in private homes/villas or timeshare. • Here for a combination of relaxation, beach life and water sports; over a third of tourists dive and nearly 75% snorkel; • Not staying very long; over half the visitors stay for 4-7 days Those in hotels stay around 5 days and 7 in non-hotel accommodation; • Still not visiting the Sister Islands in any volume. Less than 5% visit the Sister Islands. 	<p>Cruise ship visitors:</p> <ul style="list-style-type: none"> • Less affluent than stayover visitors with average household income of US\$96,000; • Come from the same places as stayover visitors ie 90% from US; • Have a similar age profile to stayover visitors with an average age of 44; • Are generally on a one-week circuit around the Western Caribbean; • Arrive in larger numbers in the winter months with up to two thirds arriving between November and April; • Usually take pre-booked tours. The most popular activities are scuba/snorkelling and beach visits including the Sandbar at Stingray City, submarine/boat tours and island tours of the west end of Grand Cayman (generally including the Turtle Farm) combined with other activities; • Less affluent; the average spending per passenger in Grand Cayman is below the average for other cruise ports and stayover visitors¹² (although this may be to do with spending opportunities in Cayman).
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2.2.2 The business, conference and incentive visitor

Although 5% of visitors are officially recorded as business visitors, this figure may be higher. Business visitors, including independent travellers and conference delegates, spend more per night on average than holiday visitors but stay for shorter periods. Incentive travellers ie 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 with adequate facilities for the varied social functions, this can represent up to 30% of year round business. Grand Cayman is seen as accessible from all 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.

¹² US\$79.42 in Cayman versus average of \$103.82 across all ports studied. Economic contribution of the FCCA Member lines to the Caribbean and Florida, Price Waterhouse Coopers, 1999/2000

2.2.3 The weddings/vow renewals and honeymoon market

Over the last three years, there has been an average of 700 (visitor) weddings per annum in the Cayman Islands (660 in 2001). 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. They tend to be affluent couples, regular visitors on relatively short holidays with a particular interest in water sports.*

KEY ISSUE: *Visitor statistics are generally inadequate; more information is needed on visitor expenditure and profiles, particularly purpose of visit and activities undertaken, satisfaction levels and decision-making.*

2.3 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, partly because of congestion and the cruise ships. 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.

More recent research suggests that the image held by those who have not visited the Cayman Islands is mixed. There is a small group who perceive it as a prestigious, exclusive Caribbean island and, for divers, one of the best dive destinations in the world. Another small group feels it is bland and devoid of personality. For the majority, however, Cayman is “not even on the radar”, not because of specific negatives, but more a lack of positives.

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

There is some evidence to suggest that the high cost of a Caymanian holiday might be exaggerated. Recent research suggests the Cayman Islands is only 10% more expensive than the Caribbean average, ranking 7th out of 14 surveyed countries¹³.

KEY ISSUE: *The Cayman Islands overall profile is low. For those who have visited, it generally achieves high ratings for the experience offered but is not necessarily seen as good value for money. Ratings appear to be declining and the perception of poor value deepening.*

¹³ Cayman Compass, 8 July 2002. Data on holidays is not available.

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 one extent or another in communicating messages about the Cayman Islands.

In 2002, CIDoT spent some US\$14.3m on marketing activity in 3 different source markets ie USA, Canada and UK/Europe. The activities undertaken range from fully developed and integrated advertising campaigns to tour operator support and PR activity. 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. CIDoT has also developed its own integrated web site.

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

There is little 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.

The recent market research and the re-branding exercise in Cayman have suggested that a new re-vitalised approach to marketing is required. Marketing of the Cayman Islands' brand needs to be product-led ie to raise quality and value including the development of a distinctively local product. For example, 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;
- To sell the brand to internal and external customers.

KEY ISSUE: *A review of marketing has suggested greater emphasis being placed on product quality and its presentation to the market. This will require re-appraisal of priorities in marketing and tourism management policy.*

3. THE TOURISM PRODUCT

Having looked at the market and the need for a new, product and brand oriented approach to marketing, we now turn to what the Cayman Islands has to offer the visitor.

The most powerful drivers for tourism on the Cayman Islands are diving, other water sports and relaxation supplemented by security, cleanliness and the warm welcome.

3.1 Travelling to the Cayman Islands

3.1.1 Air services

The Cayman Islands, like other Caribbean islands, is disadvantaged compared to mainland destinations because all stayover visitors have to be brought in by air. Nevertheless, the Cayman Islands are relatively well served by air.

There are direct daily scheduled flights to Cayman Islands from Miami, Atlanta, Charlotte, Philadelphia and less regular flights from Newark, Houston, Tampa, Chicago and New York. There are two flights per week from Toronto and four times a week from London. There are also charter flights from a number of US destinations. Cayman Airways is currently reviewing their routes and equipment but is hindered by being part of the British air service agreement with the US - and capital resources.

The Cayman Islands are perceived as an expensive destination and air fares are seen as contributors to this perception. In fact, air fares from the US are relatively inexpensive¹⁴. Unfortunately, this is not the case from Canada and Europe as there are a relatively small number of seats from these two markets. Increasing passenger taxes and charges are causing general concern.

The main problem associated with airlift to Grand Cayman is the airport itself. The runway limits long haul capacity but, in the short term, the main constraint is the terminal itself. There is severe congestion at peak arrival time. There is an identified need to double capacity in the terminal to make passengers safe and comfortable. The ancillary interfaces of immigration and customs can also come under pressure at peak times leading to service quality issues although generally the level of service is high. More significant are the problems associated with taxi attendance at the airports. Issues of tariffs, metering, uniforms are currently being addressed by PTB.

Airlift to the Sister Islands is more restricted and there are now no direct international flights. The schedule from Grand Cayman is still relatively good depending on the season although 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. A new or refurbished airfield that will allow night flights and larger aircraft (to transport diving equipment and other supplies at a more reasonable cost) would benefit residents and visitors. Cayman Airways is currently considering the provision of appropriate new

¹⁴ Cayman Airways plays an important part in controlling air fares from the US.

aircraft for the Sister Islands which would also support other regional routes. In Cayman Brac, the taxi issues identified at Grand Cayman are exacerbated.

3.1.2 Cruise ship services

George Town is a tendering port and terminal facilities and related services are inadequate. The physical environment is poor and the circulation space is minimal leading to unshaded queuing and congestion which is unpleasant for passengers and others visiting the town. The recent move to night-time operation of the port should help relieve some of the congestion.

There have been recent temporary experiments to make the environs more welcoming which, subject to improved traffic management, have proved successful. In the longer term, there are proposals (funded by FCCA) for a new terminal at the port, redevelopment of the existing terminals and providing a new terminal or tender landing at West Bay. There are even longer term proposals for providing two mooring berths when and if the commercial port is re-located.

KEY ISSUE: *Accessibility to the Cayman Islands from the US is excellent. However, there are problems to do with capacity and visitor management at the airport and port facilities, related services and visitor convenience.*

3.2 Moving around the Cayman Islands

There is no data to show local visitors' usage patterns or attitudes to transport on the Islands. However, it would appear that most stayover visitors rely on taxis and/or hire cars. The level of provision appears reasonable, with the exception of the airport issue referred to above. Cruise ship visitors generally use tour operator buses when going on excursions while individuals probably use taxis to access local beaches etc. 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 road infrastructure is 'low key'. This has a certain charm over most of the Islands but also contributes to significant congestion on the West Bay Road at peak times. Tourists no doubt contribute to this congestion but West Bay road is also the main commuter route. There are proposals for a by-pass to the east with calming of West Bay Road. There is also a proposal for a new east-west highway to facilitate the commercial port development in the east.

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 or cycleways on Grand Cayman. This could be an attraction in its own right.

KEY ISSUE: *Transport on the Islands is predominantly by private vehicle. This adds to congestion on Grand Cayman and reinforces the American image of the Islands.*

3.3 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 (32 on Grand Cayman, 2 on Cayman Brac and 6 on Little Cayman). The Cayman Islands are invariably ranked in the top three dive destinations in the world, competing in particular with Cozumel but also the Bahamas, Florida Keys, Hawaii, Bonaire, the US Virgin Islands etc.

Over the last five years, 30% of respondents to the exit survey indicated that diving was a main reason for their visit and 39% indicated that snorkelling was the reason. J-m Cousteau estimated there to be 240,000 divers visiting the reefs doing, on average, about 10 dives ie 2.4 million dives pa¹⁵.

Over the last five years, 86% of respondents rated the diving as good to excellent and 90% rated snorkelling the same. Cayman has traditionally attracted relatively high volumes of divers but has been particularly popular with affluent divers¹⁶.

Previous surveys (1993) show that divers stay longer on island than other visitors and therefore spend slightly more than average. It was estimated that divers contributed slightly under 10% of the national GDP and a third of tourism's total contribution.

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 ie:

- Coastal development and pollution;
- Sedimentation;
- Diver impact (collecting, accidental damage, anchors);
- Other anchorages eg cruise ships in Spotts Bay;
- Overfishing; and, of course
- Climatic change, changes in sea level and ozone depletion.

There is much debate about the relative scale of the above impacts in the Cayman Islands but relatively little research on diver-induced impacts. There is certainly a school of thought (reinforced by a study on the Sister Islands in 1993) that the impact of divers on the biology of reefs is very limited in relation to coastal development, pollution and climatic change. However, a research paper in 2001¹⁷ 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 report¹⁸ stated that the reefs are at capacity and a permit system is needed.

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 guidelines for interaction with the rays at Stingray City and the Sandbar. The DoE is also now undertaking monitoring of the reef but, as yet, this has not been correlated with diver statistics and habits 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.

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

¹⁶ Diving in the Cayman Islands, Madigan Pratt & Associates, Jan 1995

¹⁷ Research by Dept of Environment: Impacts of recreational SCUBA diving on coral communities of the Caribbean island of Grand Cayman, J Tratolos and T J Austin, Biological Conservation, 2001

¹⁸ Sustainable management of the Cayman Islands' natural resources, Jean-Michel Cousteau, undated

Most divers and dive operators are environmentally conscious not least because, for most dive operators, their long-term livelihoods depend upon maintaining the quality of the diving. It was the dive industry that started the mooring system.

The impact of over-diving may be more to do with the quality of the experience. This is undoubtedly the case at Stingray City, the most frequented dive site and the most popular snorkelling site. In 1993, it was estimated that the site attracted in excess of 350,000 visitors per year. On a pro-rata basis, this number will have more than doubled by 2002.

There are current proposals to sink an additional ship(s), to provide a new diving attraction 'Shipwreck City'. There are strong arguments for 'freshening the dive product' and not being complacent about the status of Caymanian diving but there are environmental considerations that need to be considered. The Government has provided seed funding.

Casual swimming is also 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. Various remedies have been attempted without success to date.

There are various other water sports on offer:

- Snorkelling;
- Fishing;
- Boat trips including pirate ship and submarine rides;
- Sailing, wind-surfing, para-sailing and kite-boarding;
- Jet skiing; and
- Kayaking.

It has been estimated that up to 20% of expenditure on watersports on the Island is generated by these non-diving activities.

There are current proposals for a major port and inland marina for mega-yachts at Half Moon Bay in East End.

Maintaining extremely high standards of quality for the Cayman dive product is imperative given the real and perceived high cost of a Cayman Islands' holiday. It is only through maintaining quality that Cayman will be able to continue to offer divers good value for money. That 'quality' will involve not only the diving experience but also the quality of service from operators and the quality of the destination as a whole.

KEY ISSUE: *The Cayman Islands has a dominant position in the SCUBA diving market as a world class diving destination. It also has a range of other high quality water-based activities. Good management is needed to conserve the natural resources (reef, water and beaches) and maintain the quality of the experience for divers and other visitors.*

3.4 The terrestrial environment and related activities

3.4.1 The natural environment

The natural environment - its extent, quality, variety and accessibility - is fundamental to the overall quality of the visitor experience in any destination. An environmental quality that is a draw in its own right is clearly an advantage but it is even more important to maintain an attractive backdrop to other activities.

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, and 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 Islands are rich in birdlife. These resources contribute to the Islands' special character and offer the opportunity to diversify the local product.

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 etc. Birdwatching is excellent because the sites are easily accessible and the birds are relatively tame and easy to photograph. Birdwatching tours have started and there is a proposal for a butterfly farm;
- **Nature trails**. The Mastic Trail traverses one of the last tracts of primary evergreen woodland left on the island. There are new networks of waymarked, 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 Cayman Brac, an emerging activity subject to review of environmental and other issues;
- **Kayaking** in the mangrove wetlands and riding on the beaches; and
- **Others** eg Blow Holes, Hell, Rum Point, the east end of the Bluff, isolated beaches etc.

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

- A new national park at Barkers, subject to funding for acquisition and pressures for other forms of development;
- Protection of the central mangrove wetland and Mastic Reserve;
- Further development of the Botanic Garden; and
- Turning the Bluff on Cayman Brac into a National Park.

There is currently no Protected Areas strategy. There has been great concern, for example, at the loss of mangrove and dredging in the North Sound. Environmental legislation is currently being updated so that international obligations can be met. The DoE has prepared a network of Environmentally Significant Areas and the National Trust has acquired over 2,000 acres in order to protect key areas. Quite separately, there is an Environment Protection fee that is gathered as part of the departure tax (from cruise and stayover visitors and residents). It is proposed to use this fund to initiate the Barker's National Park.

KEY ISSUE: *There is a range of excellent natural resources, which offer the opportunity to diversify the local tourism product and protect local bio-diversity. This is a distinctive feature of the Sister Islands.*

KEY ISSUE: *There are proposals to conserve, enhance and add to this resource but the legal framework and resources are limited.*

3.4.2 The built environment

The built environment is crucial to the overall quality of the visitor experience in any destination. As with the natural environment, it does not have to be an attraction in its own right; it can just provide a backdrop to other activities. There are concerns about the scale, distribution and quality of much new development in Cayman.

At a strategic level, 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 road congestion. Seven Mile Beach has few breaks in the monotonous 'wall' of tourism related development. This issue may be exacerbated by the reduction in stamp duty in 2002 for land and property transactions and the recent amendment to the building height law ie 5 to 7 stories. Clearly, tourism is not the only generator of growth (there are over 20,000 private cars in the country compared with around 4,000 hire cars) but the perception is that tourism growth is to blame. The new by-pass will further alter the whole environment of Seven Mile Beach and West Bay.

Table 3.1 shows how tourism development is concentrated at the western end of Grand Cayman. The east end and the Sister Islands are still, relatively, under-developed. The proposed east-west route could, if implemented, impact upon this current balance of development.

Table 3.2: Tourist accommodation in the Cayman Islands by District

Location	Hotels	Condos/ Apartments	Villas/ Guesthouses	Total bedrooms
Seven Mile Beach / West Bay	2133	1909	42	4084
George Town	57	96	30	183
South Sound	59	25	0	84
North Side	10	75	30	123
Prospect / Spotts	0	0	15	15
Rum Point / Cayman Kai	0	66	145	211
East End	333	0	9	342
Bodden Town	0	0	18	23
Frank Sound	0	0	23	23
Cayman Brac	145	63	26	234
Little Cayman	75	39	26	140
TOTAL	2812	2273	364	5462

Source: CIDoT (June 2002)

In addition, large-scale developments are perceived to have been undertaken without adequate consideration of environmental impacts and tourism implications.

Compounding the problems of over-development is the poor quality in urban and infrastructure 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, it becomes dominated by cruise ship visitors and associated traffic and, with a few notable exceptions, the quality of development is

ordinary. There are no pedestrian areas and little by way of evening activity. Many visitors and residents avoid the centre. Elsewhere in the west of Grand Cayman, the style and quality of new development is undistinguished. The premature release of large (marina-based) sites that lie vacant add to the poor image.

There is poor hard and soft landscaping in key areas, intrusive new electricity poles, poor maintenance in some areas and lack of attention to detail. The introduction of US style retailing with associated advertising compounds the view that Grand Cayman is losing its individuality or failing to develop its own character.

In addition, there is no legal protection for historic buildings or sites of heritage interest. The National Trust has prepared an inventory of historic sites. It also promotes preservation through annual awards and owns and protects nine 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.

Fortunately, physical over-development has probably not yet gone too far as has been the case in many European resorts for example. On the rest of Grand Cayman and on the Sister Islands, these problems are not yet evident. There are opportunities to disperse new development if market conditions allow. There is, however, an over-riding concern to preserve the quality of the existing environment and allow only appropriate new development.

3.4.3 The Development Plan

The Cayman Islands Development Plan (1997) is based on land-use zones. For tourism development, the Plan includes:

- Hotel/tourism zones which now apply only to Seven Mile Beach (up to 7 storeys); and
- Beach resort/residential zones, which include condominiums and cottage colony development.

The zoning approach is a relatively blunt instrument. Although the plan refers to the need for "*orderly development*" to maintain a successful tourism industry and the need for appropriate scale and quality etc, there are no parameters or triggers as suggested in the 1992 Tourism Development Plan.

The Development Plan is under review¹⁹. A major consultation exercise has been mounted and some fundamental recommendations have been made for environmental protection; to control the extent and density of new development and manage related impacts although the recently published proposals for amendment are more to do with development procedures than management (Table 3.3).

¹⁹ A Sustainable Development Committee is also currently preparing new plans and regulations for the Sister Islands.

Table 3.3: Proposals for tourism-related amendments to the Development Plan

- Institution of a new Neighbourhood Hotel/Tourism Zone for all existing Hotel/Tourism land outside of the Seven Mile Beach area;
- Encouragement of small resort development in the Eastern Districts;
- Creation of Protected Areas for Barkers, Mastic Reserve and Central Mangrove Wetland and Special Planning Areas for other areas of environmental significance;
- Creation of Nature Tourism Zones within Protected Areas, safeguarding coastal areas and the creation of more public open space and trails for hiking and biking;
- A commitment to Environmental Assessments for particular developments;
- Provisions for a Coastal Zone Management programme, protection of beaches etc;
- Guidelines on a 'Caymanian' design style and control of franchise architecture.

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.*

KEY ISSUE: *There is a lack of distinction in the quality of the built environment.*

KEY ISSUE: *The Development Plan is being reviewed and there is a view that additional controls are needed, in terms of planning and environmental protection. The proposed amendments are important but do not include potential management controls that are needed to supplement the basic zoning.*

3.5 Accommodation

3.5.1 Size and nature of accommodation

The number of hotel bedrooms has grown steadily from 700 bedrooms in 1980 to 2,800 rooms in 2002. Non-hotel accommodation (which includes apartments, guest houses, condos, villas and B&Bs) has grown in similar proportion over the same period, from 700 rooms to 2,650 rooms. This includes over 500 time-share rooms in seven resorts.

Table 3.4: Visitor accommodation in the Cayman Islands

Category	1980	1985	1990	1995	2000	2002
Hotel rooms	708	885	1,610	1,993	2,815	2,812
Non-hotel accommodation	710	1,176	1,454	1,592	2,549	2,650
Total rooms	1,418	2,061	3,064	3,585	5,364	5,462

Source: CIDoT

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\$150-500/night and condominiums average at US\$420/night.

Table 3.5: Scale of visitor accommodation

	Units	Rooms	Units <10 rooms	Units 10-30 rooms	Units 31-99 rooms	Units 100+ rooms
Hotels	36	2812	7	10	9	10
Non-hotel accommodation	1257	2650	155	26	21	3

Source: CIDoT

There are a few branded operators eg Holiday Inn, Westin, Hyatt, Marriott. There are no truly all-inclusive resorts on the Islands; accommodation is very different to the modern package tour resort where the accommodation is in large, often self-contained units. The individual nature of accommodation in Cayman is a potential strength.

There is no formal grading although inspections are carried out to ensure accommodation meets minimum standards. Hotel standards are generally considered to be good although there are no independent surveys of satisfaction.

There are currently 670 additional hotel rooms and 124 condo units with planning consent or under construction with others in planning. This includes the Ritz Carlton Hotel on Seven Mile Beach, which is a proposed 300 bedroom hotel with 74 condos of which 24 will enter rental pool thereby offering 365 rooms in total.

Table 3.6: Visitor accommodation coming on stream, 2002

	Under construction	With planning consent	Awaiting decision	Total
Hotel rooms	414	257	220	891
Non-hotel accommodation rooms	74	50	56	180

Source: CIDoT Construction report. Data supplied by Planning Department and developers

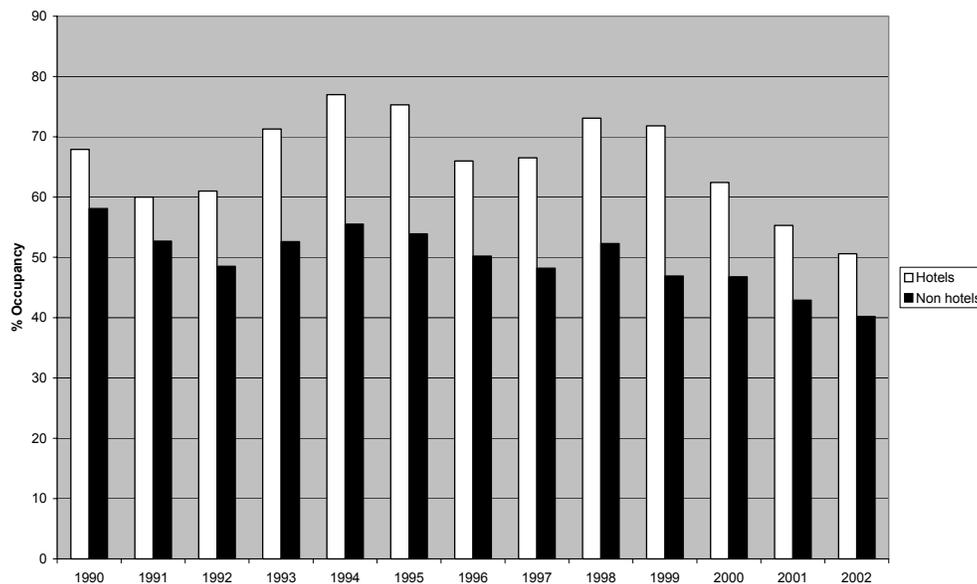
Further development is causing concern ie:

- Visitor numbers are in decline and occupancy rates are falling. If visitor numbers remain at the level of 2002, and the planned stock comes on stream, average occupancy rates will fall to around 42% in hotels and 36% in non-hotel accommodation which will mean some businesses going to the wall. In order to reach occupancy rates of 65% in hotels and 50% in non-hotel accommodation, it will be necessary to attract over 400,000 stayover visitors (and a shift to more people staying in hotels);
- Over development, including a number of incomplete schemes, detracts significantly from the environmental quality of Grand Cayman; and
- The additional accommodation will increase the influx of foreign labour.

The Hotel Aid Law enables new tourism development to be supported by Government incentives, subject to EXCO approval.

3.5.2 Accommodation occupancy and performance

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

Fig 3.1: Accommodation occupancy rates

Source: CIDoT

This poor performance has led to a number of businesses falling into difficulty with subsequent knock-on effects including a reluctance to re-invest in some properties.

In qualitative terms, there is a view that the product needs to be broadened, including more superior accommodation eg the Ritz Carlton. This hotel will increase the number of top quality rooms available, improve conference facilities and raise the profile of Cayman by harnessing the marketing power of an international hotel group.

At the other extreme, there is a view that there should be more characterful, informal accommodation (small scale, Caymanian), particularly at the East End of Grand Cayman and on the Sister Islands.

KEY ISSUE: *Visitor accommodation is concentrated in the west of Grand Cayman.*

KEY ISSUE: *Accommodation supply has outstripped demand. This has exacerbated the employment and over-development concerns. Occupancy rates in 2002 are very low; many operators are now in difficulty and unable to reinvest. Control mechanisms and fiscal measures have not helped encourage appropriate forms of development.*

3.6 Conference facilities

Conference/function facilities on the Islands are limited. The Hyatt, Westin and Marriott are the major operators capable of accommodating 200+ delegates on site. In addition, there are meeting facilities at the Grand Pavilion and the Harquail Theatre supported by other, smaller hotels with meeting space including Brac Reef Beach Resort and Little Cayman Beach Resort. The Ritz Carlton proposal includes a 14,500 ft² purpose-built convention facility including a 9,100 ft² ballroom. There will also be a large outdoor functions area.

KEY ISSUE: *The conference, function and meetings market represents high value business but facilities in the Cayman Islands are limited.*

3.7 Other visitor attractions and activities

Water sports are the major draw to the Cayman Islands. However, there is a range of other things to see and do on the Islands. Whilst many of 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.

3.7.1 Non water sports and recreation

There are a number of land-based environmental attractions and activities. In particular, the Cayman Islands offers the potential for good walking, climbing, cycling, riding and wildlife tourism, particularly on the Sister Islands. Unfortunately, these activities are not monitored on the exit survey and so it is unclear to what extent they are undertaken.

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

- Golf at Safehaven, Britannia (9 holes) and Sunrise (9 hole Par 3) and proposed Greg Norman course at the Ritz-Carlton;
- Tennis facilities at many hotels and a proposed stadium court at the Ritz-Carlton;
- Spas and a new indoor leisure centre.

Sports events include:

- The international fishing tournament (8 days in April);
- Flowers One Mile Sea Swim;
- Rugby 7s;
- Cayman Madness Dive vacation.

KEY ISSUE: *The Cayman Islands have latent 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.*

3.7.2 Visitor attractions

There are a number of attractions on the Cayman Islands ranging from formal sites to natural features and commercial outlets that are essentially retail outlets. The attractions are managed by a mixture of Government, commercial enterprises and the National Trust and vary enormously in terms of size, quality and impact.

Table 3.7: Cayman Islands' visitor attractions

Attraction	Operator	Adult Charge	Rating*	Visitors **	
				%	No
Seven mile beach	Public	Free	93	77	
Stingrays at the sandbar	Public	Varies	98	64	700,000+
Hell	Govt	Free	55	47	
Turtle Farm	Govt	CI\$6.75	83	47	340,000
Pirates Caves, Bodden Town	Private	CI\$5	N/a	N/a	
Rum Point	Private	Free	87	37	
The Blowholes	Public	Free	63	34	
Submarine rides	Private	Varies	93	18	
Ferry ride	Private	Varies	86	17	
Sightseeing tour	Private	Varies	89	17	
National Museum	Govt	CI\$4	69	15	c28,000
National Gallery (Opened 2002)	Govt	Free	N/a	N/a	
Heritage Museum, West Bay	Private	CI\$2	N/a	N/a	
Conch House	Private	Free	69	14	
QEII Botanic Gardens	Govt	CI\$6	83	13	34,000
Pedro St James	Govt	CI\$6.75	71	13	c30,000
Mastic Trail	NT	Free	N/a	N/a	
Tortuga factory	Private	Free	N/a	N/a	
Stingray Brewery	Private	Free	N/a	N/a	
Blackbeard's Rum Cake Centre	Private	Free	N/a	N/a	
Cayman Brac Museum	Govt	Free	N/a	N/a	
Little Cayman Museum	Private	Free	N/a	N/a	
National Trust Centre, Little Cayman	NT	Free	N/a	N/a	
Heritage Centre Cayman Brac	Not yet open				

* Rating based on % awarding good to excellent, CIDoT 1997 (latest figures)

** CIDoT 1997 survey results + latest estimates where available

There is little information available on performance and trends. Performance generally correlates with access to cruise passengers. The two major attractions are the Sandbar and the Turtle Farm, the two favoured attractions by the cruise ship operators.

The quality of the attractions is generally good eg Pedro St James, the National Museum. Some are unique eg Stingray City, the turtle farm and some compare with the best elsewhere eg the Botanic Garden. However, visitor management at some sites is poor, notably Stingray City and Hell. Notwithstanding, Stingray City remains very popular.

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

- The Turtle Farm is under-going redevelopment following storm damage. There are proposals to include a dolphinarium although the issue is emotive;
- A butterfly farm in George Town;
- Further development of the Botanic Garden, subject to funding;
- A permanent structure for the International Scuba Diving Hall of Fame;
- Shipwreck City;
- A new National Gallery adjacent to the Harquail Theatre;
- A new heritage trail;
- A new farmers' market;
- The heritage centre in Cayman Brac has not yet opened.

KEY ISSUE: *There is a range of attractions in Cayman including some high quality, unique facilities. There is a need to improve and develop attractions, to keep pace with visitors' expectations and provide new things for visitors to see.*

3.7.3 Contemporary culture and built heritage

Cultural activity can play an important role in strengthening the appeal of destinations whilst visitors in turn can provide an important audience, helping to sustain local activities. There is a perception, held by some, that the Cayman Islands do not have a culture that can be translated to a tourism resource, partly to do with the difficulty of defining Caymanian and the lack of heritage in the visual or performing arts. The Caymanian culture of friendliness and traditional values with its evident social harmony is clearly a strength in hospitality terms. Other aspects of Caymanian way of life are perhaps just less well developed or poorly interpreted or have no outlet and so provide less of an attraction at present eg local language, food, arts and crafts, music, dance, story-telling, architecture.

There are, however, a number of current initiatives to develop the contemporary cultural side of life:

- The Cayman National Cultural Foundation takes a leading role in promoting local performing arts at the Harquail Theatre and other events in the community eg 'Gimme Story', the 'Children's Festival of Arts';
- The new National Gallery has just opened to add to the growing number of local artists and galleries and is developing an educational outreach programme;
- The development of other programmes for local artists and craftspeople eg the McCoy Prize for Art, the Masters/Apprentice programme for local crafts;
- Local events such as; The Art@Governor's.com event, heritage days and 'Lookya' events at the Museum have helped sustain local traditions;
- Pirates Week, including district heritage days, has become a national festival along with Batabano (an embryonic local carnival) and Cayfest (2 week festival of culture and heritage). Their future is the subject of debate, given the time-life of events and limited volunteer resources.

There has been some difficulty in gaining work visas for foreign artists performing at events in the past.

Cayman 500 is set to be the longest running series of cultural events in the history of the Islands, spanning the whole of 2003. There are other event proposals in the pipeline eg a Jazz Festival, re-introducing Junkanoo and Gambai festivals and Kitchen Dance traditions.

In terms of the physical heritage:

- The National Museum is an exceptional museum for its size and resources and includes the largest collection of Caymanian art to go with its collections of natural history, maritime history, domestic life, local trade and industry;
- The National Museum and partners (the National Trust, National Archive, DoE) is planning a Maritime Heritage Trail for the three islands;
- The local museums on the Sister Islands tell the local stories in a simpler style;
- Although there has been some unfortunate destruction of local heritage, a number of traditional buildings are being restored (by the National Trust and others) and greater consideration is now being given to local architectural style. Pedro St James offers an excellent example of building refurbishment, telling an important local story;
- The National Trust has prepared a number of heritage tours; and
- The Cayman Maritime Heritage Foundation has plans for the restoration of catboats.

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

3.7.4 Food and shopping

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

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. There is a need to capitalise on this strength, 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 initiatives that need to be exploited for tourism purposes eg the new farmers' market.

Retailing is also an important element of the visitor's experience. Duty-free shopping is promoted as a key selling point for Cayman Islands although shops in George Town do not sell duty-free liquor or cigarettes. There is little in the way of good quality crafts or goods unique to the Cayman Islands readily available to tourists²⁰.

The shopping area in George Town is very ordinary with a limited mix and range of shops and a mundane environment. Shops are generally not open on Sundays. The shopping environment is made worse when there is an influx of cruise ship passengers. Anecdotal evidence suggests the (more affluent) stayover visitors are dissuaded from shopping in George Town by the congestion etc.

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.

3.7.5 Entertainment

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. There is also a cinema and new bowling centre. Gambling and casinos are not permitted in the Cayman Islands although it is a current 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.

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.

²⁰ Exceptions include Joe Tourist, Hawley Haven Farm, rum cake, hot sauces, Stingray beer, woodwork, jewellery including work in Caymanite

3.8 Employment and social issues

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. 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.

The small local pool of labour and the low regard held for tourism generally amongst Caymanians means that operators have to look to expatriate labour with consequent high labour, immigration and accommodation costs²¹. This:

- 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 who often will not meet a Caymanian. Few Caymanians work in front-of-house positions;
- can be de-motivating for Caymanians and does not help create a strong local management pool for tourism businesses;
- does not help engender a sense of ownership of the tourism product.

In the 1999 Census, 66% of those employed in hotels and restaurants were non-Caymanians. The significant increase in room stock over the past three years has certainly exacerbated this problem.

It is difficult to define the macro-implications of the perceived growing social imbalance in the labour force. Tourism is not the only contributor to this problem; non-Caymanians employed in hotels and restaurants represent only 13% of all non-Caymanians in the labour force²². However, it would appear self-evident that this imbalance compounds any social effects arising from the imbalance of visitors to residents. This is less of an issue on Cayman Brac where there is a small but sufficient pool of available local labour.

Significant efforts have been made by CIDoT and CITA to encourage greater awareness of, and interest in, the tourism industry in the Cayman Islands. Now that local unemployment is arising as an issue, this is even more important. The Government is also applying pressure with the new requirement for Business Staff Plans which have to set out proposals for employing Caymanian staff.

Tourism Awareness Week is the most visible initiative, taking themes such as 'tourism and the environment' and 'service excellence matters' in recent years²³. This annual event is the culmination of a range of other initiatives working with schools to promote the importance of tourism and the range of jobs available, to give work experience, to learn about the local product with visits and competitions and to provide opportunities through internship and scholarship programmes. Consideration is now being given to the establishment of a Hospitality Training Centre in West Bay to help spur interest and involvement by Caymanians in the tourism sector.

Even if the social imbalance was not an issue, the local industry is confronted with other, more common, tourism employment problems eg:

- Staff shortages which increase the pressures on existing staff and make working in the industry even less attractive;

²¹ The mobility of Caymanian labour also encourages employers to seek expatriate staff.

²² Clearly, many of those employed in other sectors eg business and personal services will rely on tourism to significant degrees.

²³ Now Tourism Awareness Month

- The increasing difficulty in recruiting staff with the right skills who have an expanding range of opportunities open to them;
- Traditional low pay in a high wage economy²⁴;
- The cost of providing staff accommodation.

Training is even more important given the desire to increase the numbers of Caymanians in the tourism labour force and encourage all staff to 'be the brand'. This involves the public and private sectors.

In the public sector, Certificates of Education with related work experience are offered at the High School. There is an increasing interest in encouraging tourism in education but it has not yet been fully integrated into the curriculum which is currently under review. The Community College offers associate degrees in hospitality management and other courses in hospitality studies for entry-level positions. Take-up has not been good. There is some debate over the relative benefits of offering vocational courses at the proposed Hospitality Training Centre or the existing Community College (or a combination of both). In terms of on-going training, CIDoT with various partners, has initiated a number of programmes eg customer care, tour guiding and various hospitality courses.

In the private sector, most operators do not have formal training programmes. On-the-job training is the main strategy for training staff at most levels²⁵. Some operators take in-house training more seriously than others but this is a key area for development, particularly the need for all staff to promote the Cayman brand.

KEY ISSUE: *A range of employment factors all conspire to create a very difficult operating environment for the tourism industry which appears to be worsening. These problems will need to be addressed if the industry is to remain competitive and meet increasing customer expectations.*

3.9 Public utilities

The future of tourism development in Cayman is also dependent on the 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 Agenda 21, the methods by which such utilities are used.

On the Cayman Islands, adequate water and electricity supplies are available and very reliable. There has been recent investment in desalination and electricity generation and piped water is being extended to the East End. Similarly, waste water is not a crucial issue given the recent commitment to a new treatment plant for Seven Mile Beach. There is, however, a need for a systematic approach to development control to co-ordinate the provision of package plants. In terms of solid waste, landfill on Grand Cayman is nearing capacity although there are plans to introduce new technology which it is suggested will solve the problem.

Although the information is partial, water and electricity costs are significantly higher than the US but by no means the highest in the Caribbean. Electricity costs have

²⁴ The average annual employment income in hotels and restaurants in 1999 was 24% less than the average for all industries and less than half the average in the financial sector. (Census)

²⁵ Across the Caribbean, the most critical training need at management level is human resource management cf Tourism training need assessment study, CTO, 1998

been benchmarked and the Cayman Islands ranks in the middle or better in a list of 13 other Caribbean countries.

In sustainable development terms, CUC has an energy conservation programme for customers and offers mini energy audits. CUC is also currently exploring the feasibility of installing wind turbines and is looking to purchase power from a new ocean thermal energy conversion plant that is currently being developed.

KEY ISSUE: *Although there are no apparent constraints on the supply of utilities, 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. This is left to individual operators to implement as they see fit.*

4. CHALLENGES AND OPPORTUNITIES

Previous chapters have concentrated on past and current performance but tourism is essentially market driven and is constantly changing over time in response to social, economic, technological and other forces. The Cayman Islands are not entirely in charge of their own destiny and have to compete in a wider setting. They can not isolate themselves from changes taking place in the outside world and if they can not deliver what the target markets want, those visitors will go elsewhere.

Some of the underlying changes (positive and negative) which are likely to bear on tourism in the future, are considered below. All destinations are having to respond and adapt to these changes, 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?

4.1 The drivers of change; the shape of tourism to come

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

4.1.1 Economic prospects

The lowest growth in GDP in the United States in a decade reflects a number of factors that have prevailed for a while, the most important of which are a slowdown in investment spending and a decline in consumer confidence. Business confidence had for some time been weak, with low profits and falling share prices leading to big falls in investment. Consumer confidence, which had remained resilient, fell dramatically following the terrorist attacks. The world economy grew by about 1.4% in 2001, compared to 4.7% in 2000.

Unemployment levels have been rising in the United States since the beginning of 2001. The unemployment rate is over 5%. This increase mainly reflects declines in manufacturing activity, the technology sector and more recently, the airline and travel-related industries where over 600,000 jobs have been lost in 2001 and 2002²⁶. In the European Union, the losses are even greater.

The slowdown in the United States economy has impacted on growth in other regions of the world. The European Union grew by 1.8% in 2001, compared to 3.4% in 2000. (The UK market however, has remained relatively buoyant.) Similarly, growth in developing countries was around 2.5% in 2001, compared to 5.8 percent in 2000; and a Japanese recovery now appears remote. Looking ahead, world growth is expected to be somewhat lower than the 2% projected by the United Nations for 2002. This is primarily because the US growth forecasts for 2002 were downgraded to just 0.8%.

In general, the recent easing of macro-economic policy in the United States should support economic activity in the year ahead. In terms of a fiscal stimulus, the US Government announced a package of business tax breaks, rebates for low-income

²⁶ WTTC, in Travel Market Monitor, No 1, 2002

households, capital gains tax relief and extended unemployment benefits. This package, together with emergency spending made just after the attacks, should amount to an estimated \$160 billion in 2002.

Notwithstanding cyclical changes that are very hard to predict, there is an underlying confidence in the basic fundamentals in the US, Canada and Europe. This should still encourage a relatively stable economic prospect in the medium term although the short-term is going to remain difficult. Disposable income and leisure spending will continue to grow for a large section of the potential market which will stimulate holiday-taking. Growing affluence and rising living standards will also fuel a demand for better facilities and higher standards from their holiday environment and experience.

4.1.2 Demographic changes

In the US, the population is growing rapidly; from 275 mn in 2002, it is forecast to reach 400 mn by 2050. Close to 30% of the population is currently under the age of 20 which offers enormous growth potential for tourism. In addition, only 17% of US adults currently hold passports and even in the big cities, the major sources of travel business, the percentage of passport holders nowhere exceeds 40%.

In Europe, however, the population is getting 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 in all sectors and 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 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.

4.1.3 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.

People have become much more discerning and knowledgeable with regard to their holidays. They are more confident about making their own arrangements (often over the internet), more aware of what exists elsewhere and less loyal to particular destinations.

Travel has become another consumer item where people acquire prestige by choosing the 'right' destination. This is driving people to look for new experiences. In Europe and the US, this is benefiting long haul destinations but the Caribbean is in competition with many exotic locations, many of which can offer a richer, more diverse experience eg 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 activity, nature and adventure holidays, walking and cycling, and holidays with a cultural or special interest theme.

The growing awareness and concern about environmental issues means that more notice is taken of the environment of holiday destinations. There is a small but growing market for eco-tourism and 'green tourism' experiences.

4.1.4 Security

People have always been concerned for their personal safety at their destination and that remains a powerful factor in decision-making and a particular strength in the Cayman Islands.

In the wake of September 11 and other terrorist activity, travelling by air is now of much greater concern and Americans are generally perceived to be more sensitive to perceived security threats than Europeans. The actual impact of such action on visitor numbers diminishes with time since the last event and varies by distance to travel²⁷. The Caribbean is perceived as a relatively safe region. This safety issue came to the fore when cruise ship operators switched many voyages to the Caribbean from Europe in the wake of 9/11.

By their nature, security issues are difficult to predict and the outcome of current negotiations over Iraq hang over the travel industry at the time of writing.

4.1.5 Technological change

The real cost of travel is likely to continue to fall although fuel costs, landing charges and capacity constraints are countering the beneficial competition between airlines.

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

4.2 Tourism has strong growth potential but can be volatile

4.2.1 The international tourism scene

World-wide tourism has shown strong and continuous growth over the past thirty years and is expected to continue to grow in the future. Over the last decade, international tourism (measured as arrivals) throughout the world grew at an average rate of 4.3% pa despite the Gulf war and the Asian financial crisis. The total number of international arrivals reached a record 697 mn in 2000 and receipts from international tourism climbed to \$US476 bn (6.1% pa growth). In 2001, arrivals fell for the first time to 693 mn²⁸. However, WTTC puts the total loss in international tourism receipts at close to 5%.

WTTC have forecast a further loss of 4% in international tourism receipts before rebounding sharply to full recovery by 2004. Looking further ahead, travel and tourism demand overall is expected to grow by an average of 4.5% a year between 2002 and 2012.

²⁷ 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. Security measures have also added to the cost of travel.

²⁸ WTO statistics

Whatever the final outcome in 2002, the industry has been badly hit and is unlikely to re-coup the losses in full. Short-term promotional campaigns have helped mitigate problems to a degree but many major destinations are taking the opportunity to take stock and address more fundamental infrastructure issues so that they are in a better position to withstand future temporary setbacks.

4.2.2 Tourism in the Caribbean

In the Caribbean, stayover tourism arrivals have grown by 58% between 1990 and 2000 (40% in Cayman). This growth has been slightly faster than the growth in international tourist movement world-wide. The US remains the largest market with a 50% share but Europe (25% share) has been the fastest growing market at an average of 9% pa with the US at 3%. Cruise passenger visitation grew by an average of 6.5% pa between 1990 and 2000 (12% in Cayman).

In 2001, the region was hit hard by September 11. Stayover arrivals in the region fell by 4% in 2001 (5.7% in Cayman) but the impact varied from country to country depending on its market make-up and perceptions of safety. Bermuda (-16%) and the Bahamas (-11%) were particularly badly hit; two other countries heavily dependent on the US market. A few countries bucked the trend, notably Turks & Caicos and Curacao. The cruise market continued to grow with a 10% growth (18% in Cayman). As in other parts of the world, a return to normality was projected for 2002 but this has been slow in many countries.

4.2.3 Outlook in the source markets

The Cayman Islands' main market, the USA, is expected to continue to expand despite the declining proportion of US visitors to the Caribbean. The US market has greater scope for expansion than any other. Cayman will remain a popular destination for this sector due to proximity, airlift and the quality diving but the competition is growing. The Canadian market was growing more strongly prior to 9/11 from a smaller base and over recent years, Europe has gained ascendancy in a number of Caribbean markets. However, cost and airlift mean these two markets will remain small in the Cayman Islands.

Within this general context, niche markets appear even more important and offer distinct opportunities for the Cayman Islands eg:

- Adventure tourism has been growing rapidly from a low base. The dive market is already established in Cayman. As an industry, there is a view that the market is maturing ie past the rapid expansion phase and destinations have to compete hard to retain their market as new sites come on stream and old ones become 'dived-out';
- Heritage and culture tourism is now a major segment of the tourism market. Culture can be a draw in its own right or as a contributor to a wider experience;
- Nature/eco-tourism has grown on the back of an enormous interest in wildlife and a growing interest in the environment (and culture). It is still a relatively small but dedicated market;
- Sports tourism where people come to take part in a festival or competition, often with their family and friends eg the Island Games, St Lucia Legends Tennis Tournament, Barbados Open Golf Tournament, the Mountain Bike Challenge in Bonaire, the triathlon in USVI etc;

- The cruise market is a burgeoning segment of the traditional holiday market. Growth has been phenomenal fuelled by ever-larger ships and very competitive pricing;
- In business tourism terms, the meetings, incentive, conference and exhibition (MICE) market remains highly valuable but also very sensitive to economic conditions.

4.3 What does this mean for the Cayman Islands?

No-one can say with any certainty what the cumulative impact of the drivers of change will be on the Cayman Islands' tourism over the next five years and beyond. However, it would appear that:

- whilst the general outlook for tourism as a whole is still promising although the short term is going to remain difficult, particularly if the problems in the Middle East persist;
- niche markets are becoming important supplements to traditional source markets;
- the Cayman Islands' traditional competitors (the US mainland resorts, Hawaii and Mexico) will remain but competition is growing rapidly amongst other Caribbean destinations, notably the Bahamas, Cancun and Cuba (for Europeans), from cruising and long haul destinations. In the recent exit surveys, 25% of stayover visitors had been to Europe in the last two years;
- many of these competitors are raising expectations and setting new benchmarks against which Cayman will be judged. Higher quality facilities are required with better value services that improve on standards elsewhere;
- visitors are also looking for new and different experiences, to indulge special interests, have more active and enriching holidays with a range of things to do. Many sun-seekers want to do more than just lie on a beach all day, every day. It is difficult for mature destinations to adapt to this changing environment, but many resort destinations are striving to do so. In Spain, the focus is now on the arts and sports, aiming for quality rather than quantity;
- visitors are more environmentally aware many are looking for the same ethic in their destinations;
- local distinctiveness is likely to become increasingly important as a driver of tourism and valued by visitors. It is vitally important to adapt to market needs but also to maintain distinctiveness;
- visitors will spend less time on planning - and their holidays - getting more information and booking via the internet and new media.

In this context, there is no guarantee that the Cayman Islands will retain its current volume of tourism or market share. It is down to Cayman to make sure it captures an appropriate share of the volatile tourism market and the relevant niches, over the long-term, by making some hard decisions now and focusing on maximising value through providing an appropriate product and promoting it effectively.

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 in Europe, Australia or elsewhere.

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.

4.4 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.

Table 4.1: The Cayman Islands SWOT analysis

<p><u>Strengths</u> World class diving Range of water sports Friendliness of the people Relaxed pace of life Island appeal Safe and secure destination Airlift and accessibility for US market Exclusive image Affluent, loyal market English speaking Good birdwatching Unspoiled Sister Islands Unspoiled east Grand Cayman Some good heritage attractions Good range of restaurants Tax free shopping Co-operation between tourism sectors Good physical infrastructure</p>	<p><u>Weaknesses</u> Over-reliance on US market? Cost of doing business, cost of holidays and perceived poor value for money Sense of over-development and lack of open space on Seven Mile Beach and in George Town Congestion Poor visitor management Lack of Caymanian distinctiveness Congested airport Poor cruise facilities Congestion and conflict between cruise ship visitors and others Limited promotion of public transport Poor environment in George Town Limited entertainment Low profile/limited access to arts and culture Poor access to beaches and countryside/lack of information and facilities Lack of information about Sister Islands and rest of Grand Cayman Poor tourism statistics and monitoring of visitors Small pool of labour Shortage of relevant skills, including management Lack of interest by Caymanians in tourism industry</p>
<p><u>Opportunities</u> Capitalise on world growth in tourism to reach sustainable visitor numbers Focus on raising quality/value for visitors Conference/meetings/incentive market Convert more cruise passengers to stayover visitors Diversify the product Be distinctive Turn environmental control into a positive asset Develop eco-tourism product on Sister Islands Improve access to the natural environment Institute Caymanian design guidelines and raise the quality of urban design Better control of new development Disperse new development Broaden accommodation product Develop walking/cycling trails Make more of events Develop and promote cultural/heritage opportunities 'Green' initiatives Improve training opportunities</p>	<p><u>Threats</u> Global economy downturn Global security/environmental disasters Declining appeal/erosion of exclusive image Increasing infrastructure costs Structural changes in air transport Homogenisation of culture/lack of distinctiveness Growing dominance of multi-national operators Moving down market with lower economic return Congestion on the reefs Environmental damage to beach and reefs Declining length of holidays Inordinate increase in cruise passengers depressing stayover visitors Competition from new destinations/products Poor development control Deteriorating environmental control Lack of re-investment Negative local views of tourism Continuing imbalance in labour supply Lack of policy co-ordination Any decline in internal safety and security</p>

5. A STRATEGY FOR THE FUTURE

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 previous tourism policy documents, Vision 2008 and our consultations amongst the private and public sectors.

5.1 Tourism in Cayman; a changing situation

Tourism has brought substantial benefits but it has also brought about many changes to the Cayman Islands over the past twenty years. To date the Islands have managed to absorb this activity without the major environmental and social problems that have occurred in some destinations although there are pressures now emerging which need to be addressed.

The issue which this Policy Framework has to address is **what level and nature of tourism activity** is right for the Cayman Islands and **how tourism can best be managed** to ensure that it continues to flourish and thrive over the next five years and beyond.

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

- What Caymanians want from tourism;
- How much tourism the Islands can absorb; and
- The market potential for growing tourism.

5.2 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 ie:

- It is the biggest economic sector, supporting businesses, local income and jobs;
- Other economic options for a small island are limited and there are uncertainties surrounding the future of the financial sector;
- It supports a range of services and infrastructure and makes the Cayman Islands a better place in which to live and work for all Caymanians;
- It presents a positive image of the Cayman Islands to the outside world.

Tourism has brought investment and development to the Island. Increasing tourism 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 pose serious economic threats 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. Equally, it would be wrong

to assume that tourism can be tapped indefinitely to make up for shortfalls elsewhere in the economy. Decisions about the future size of the tourism industry really need to be evaluated in this wider economic context.

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. Issues have arisen related to the impact of tourism on the marine and terrestrial environment and there are concerns about congestion and over-development at the west end of Grand Cayman. There are also issues to do with the proportion of non-Caymanians in the population and workforce. These social and environmental impacts are seen as an unsustainable trend by many – and getting worse.

*"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."*²⁹

5.3 How much tourism can the 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 20 years and there are some 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."*³⁰

Nevertheless, outside this part of Grand Cayman, tourism has had relatively little impact as yet and the Sister Islands remain relatively untouched.

Whilst there are environmental constraints on further development in terms of the impact on the reef and marine life and loss of natural vegetation cover and indigenous species on Grand Cayman, this is not yet so severe as to prevent any further development elsewhere on the island. This is provided that the nature and scale of such development is sensitive to the constraints of the natural environment. Neither are there particular infrastructure constraints although Cayman may lag behind on its approach to issues of sustainability in terms of transport, use of energy and waste disposal.

The main issue is more to do with unmanaged and characterless development; losing the sense of what makes Cayman special and turning it into "a suburb of Miami". In addition, the volume of cruise ship passengers contributes to local congestion and the perception of Cayman as "just another Caribbean island". This is something which is of concern to both Caymanians and tourists.

²⁹ Vision 2008, A guide, pg 20

³⁰ Vision 2008, A guide, pg 21

5.4 Can the market sustain further growth?

Cayman has been very successful in developing tourism over the past thirty years. World-wide, the long-term prospects for tourism growth are good and there is potential for the Cayman Islands to capture a share of this growth. However, Cayman faces both short and long-term challenges in the tourism market:

- As with other destinations, there are immediate short-term problems related to the contraction in travel following September 11 and the impacts of the fall in the US stock market. Economic growth internationally is slow and this has impacted upon the number of stayover arrivals.
- The loss of stayover visitors has been countered to an extent by a rapid increase in cruise ship passengers. This has brought its own problems and may only offer a temporary respite if cruising patterns change again as they may well do.
- There are also longer term, structural changes at work. The Cayman Islands have been losing stayover visitors for the past three years, well before recent economic upheavals. There is evidence that the special appeal of the destination is being eroded, compounding the long-held perception of poor value for money.
- This situation is unlikely to revert without these structural issues being addressed. Increased competition from new and more exotic destinations and changing visitor requirements and expectations pose new challenges. If Cayman cannot adapt to deliver what visitors want then it will lose out to other places that can.

Surviving this difficult short-term period will require concerted action by Government, the industry and the local community. However, the long-term future is even more important. Inappropriate short-term remedies could blight the industry in the future.

5.5 The way ahead

Over the past 20 years, Cayman has gone through a period of rapid growth in tourism which we might characterise as **unconstrained expansion** as occurred in many Mediterranean and some other Caribbean resorts. We do not believe this past level of growth is desirable or sustainable in the next decade. This is because:

- Market conditions are difficult and stayover visitor numbers are still decreasing. Supply currently exceeds demand by a wide margin. If and when the market picks up, increasing competition from other destinations will make it harder for the Cayman Islands to grow its market in future.
- There are signs that over-development is already leading to a loss of appeal. Further unmanaged growth in tourism accommodation is unlikely to be sustainable as it competes with existing stock and could further erode the character of the Cayman Islands. Similarly, the uncontrolled growth in cruise ships impacts on cruise ship passengers as well as stayovers.
- There is no enthusiasm or support amongst the populace for a major expansion of tourism. Further growth could lead to tensions and resentment which will damage the welcoming atmosphere in the Islands, one of its key attributes.

These issues dictate the need for clear policy backed up by good planning and management with justified thresholds or limits for development. The evidence is sufficiently clear to recommend that the strategy should change from unconstrained expansion to one of **consolidation and sustainable growth**.

The Cayman Islands can not stand still but an open-door policy on development will weaken their appeal and threaten their market position. Development should not be a goal in itself but based on sustainable principles related to demand, protecting the environment and labour availability. The Government has spoken of *the "urgent need to re-think our approach to the longer term development of these Islands"*³¹. The future lies not only in recovering lost visitors but also adapting the product and its marketing to focus on new market requirements and visitors that will best appreciate the added value of a Cayman holiday. In practice this will mean:

The Tourism Policy Framework: Strategic Aims

- **In marketing terms, to position the Cayman Islands as a distinctive, quality Caribbean destination for the discerning visitor.**
- **In product development terms, to concentrate on improving the quality of the Cayman experience (for stayover and cruise passengers), building on inherent strengths and rectifying weaknesses, to deliver a unique Caymanian experience for which people are willing to pay a premium. The focus must be product enhancement, doing what is done now but better, with selected new product development. The key is to make the experience qualitatively better and distinctively Caymanian. Cayman should not compete on price but must concentrate on offering value for money.**
- **In development terms, the priority is to review tourism zones and environmentally sensitive areas. This should involve limiting planning permissions for new visitor accommodation until occupancy levels are restored to a more viable level. This will also have the benefit of reducing pressure on immigration and slowing the overall rate of physical development on Grand Cayman.**
- **In management terms, the priority is to manage visitors better at key attraction sites, marine and terrestrial, notably in George Town. This should involve instituting a limit on the number of cruise ship passengers per day. (The recommended ceiling is 9,200 passengers/day subject to more detailed visitor management studies.)**
- **In target terms, the aim should be to work to restore stayover visitor numbers to pre-1999 levels of c350,000 visitors pa by 2007 ie c4% pa but with a proportionally higher growth in expenditure levels of, say 5% pa. Thereafter Cayman should assume only modest and sustainable growth in line with the capacity of the Islands resources. We suggest this might be in the order of 2-3% which would mean approximately 375,000 visitors by the end of the decade and an equivalent annual expenditure of cUS\$800 mn³². Some weaker operators are likely to fail.**

Other targets should include:

- **Increase the proportion of Caymanians working in the hotel and restaurant sector from, say, 34% to 50%;**
- **Increase satisfaction levels of visitors based on survey benchmarks to be established;**
- **a long-term growth rate that is sustainable and manageable, based on monitored experience of environmental, social and economic impacts.**

³¹ Budget address by Hon G A McCarthy OBE, December 2001

³² This growth rate is significantly lower than that in the previous TMP (5-10%).

We believe this approach makes sense and is in tune with other Cayman Islands' objectives and policies because it:

- recognises the environmental constraints of the Islands and the desire for sustainability;
- focuses on the long term contribution of tourism to Cayman and underpins its role in maintaining the quality of life for all;
- is realistic in the light of international competition and market trends;
- seeks to even out demand and a higher level of utilisation of accommodation.

We have called this Policy Framework '**Focus for the Future**' because it is about re-positioning the Cayman Islands' product and approach to meet new demands. This will require a new focus by all concerned with the industry on the Cayman Islands.

The Overall Goal for Tourism

The goal is a thriving and sustainable sector of the economy; sustainable in terms of the Cayman Islands' environment, the local community and the local industry, which will continue to drive the national economy. The Cayman Islands will provide a distinctive, high quality, good value experience for visitors which draws on and supports the Islands' individual character(s) and enhances the Islands' image and reputation. Tourism is predicated on increasing the value rather than volume of visitors.

5.7 Turning the strategy into action

To make this vision a reality we have identified nine policy objectives which provide a framework for a range of more detailed policy initiatives related to the overall goal. The nine key policy objectives, not listed in any particular order of priority and with some inevitable overlaps, are to:

- provide a high quality product for the visitor
- present a distinctive Caymanian experience
- adopt a sustainable approach to tourism development
- protect and enhance the marine resource
- attract a more discerning and higher spending visitor
- develop a highly skilled Caymanian tourism workforce
- develop eco-tourism on the Sister Islands
- organise tourism in the Cayman Islands more effectively
- research and monitor tourism more effectively

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 retain their reputation for world-class water sports, distinctive charm, a warm welcome and a secure environment but now there are new dimensions to the product offer.

"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 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 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; the Islands have Green Globe status in recognition of their innovative approach to tourism planning, development and monitoring.

"Diving remains the 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, kayaking and bird watching. Cultural attractions and events have been developed to showcase local talent and heritage. Cayman is a regional centre for conference and incentive travel adding another high value dimension to tourism.

"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. POLICIES AND PROPOSALS FOR ACTION

6.1 PROVIDE A HIGH QUALITY PRODUCT FOR THE VISITOR

The policy objective

To offer a range of top quality activities, accommodation and amenities and a level of service which will attract the discerning, affluent visitor, encourage them to return and promote the Islands to others.

6.1.1 Why this is important

Concern has been expressed about the deteriorating quality of the Cayman product, particularly in terms of value for money, distinctiveness and diversity. There is a need to keep up with the competition at the very least.

The Cayman Islands cannot and should not compete on price but it is essential that they are seen as offering value for money. This is all to do with enhancing the overall quality of the product and service and, at the same time, making it distinctive (Objective 2) and worth the cost of the holiday. Higher product standards will also mean improved quality of jobs and improve the image of the industry amongst local residents. Training issues are considered in Objective 6.

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

Policy priority areas

- To improve visitor reception facilities and welcome
- To upgrade accommodation
- To upgrade attractions
- To enhance environmental quality
- To regenerate George Town

6.1.2 Visitor reception facilities and welcome

The airport terminal and cruise port on Grand Cayman are the gateways and points of first impression for visitors. On the basis of current market volumes, there is an urgent need to enlarge and improve facilities to ease passenger congestion³³. There are current proposals for redeveloping both terminal facilities to increase capacity and improve facilities. These initiatives are to be welcomed. The crucial issue is the quality of the development, particularly at the cruise port which has a prime location on the waterfront.

³³ New runway and berthing facilities must be justified by demand and desirable limits and subject to environmental impact analysis.

- The information centres at both terminals should be improved as part of the redevelopments. They must be prominent, attractive and have sufficient space to provide a good display of information and orientation on the Island.
- Front-line staff at the ports generally provide an excellent service, based on good training regimes; this must be maintained. The use of uniformed 'hosts' at peak periods could provide additional information and help manage visitor flows.
- The taxi service, however, has been the subject of criticism. General issues are now being addressed through PTB ie 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 and George Town cruise terminal with high quality, new facilities/services.

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

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

6.1.3 Standards of accommodation

Visitor expectations are constantly rising and the quality of accommodation is their first priority. Although the stock on Cayman is relatively good quality within its type, much of the accommodation is owned independently rather than branded; there is a constant need to improve - whether it is refurbishment or replacement - and to promote these new standards to visitors who may not know what to expect.

- There are few accommodation classification and grading schemes in the Caribbean; Cayman could set a lead.
- Operators should be encouraged to provide new ancillary facilities for visitors eg leisure, sports, superior entertainment³⁴, conference and meeting facilities - and adaptation for those with disabilities.
- Another priority should be the promotion of environmentally-friendly buildings and services.
- Emphasis should be placed on the quality of facilities and design.
- General upgrading should not be affected by any moratorium on additional accommodation stock (Policy Objective 3).

Action point: Review minimum standards for licensing visitor accommodation to identify where standards can be raised or most effectively tightened.

Action point: Government should consider the need for fiscal or other incentives (duty waivers or direct grants) for upgrading visitor accommodation. These could be linked to specific staff training programmes.

³⁴ In tourism terms, casinos would generate additional revenue and provide another attraction but would replicate the offer in many other destinations. This is a local, political decision that requires more detailed consideration.

Action point: CIDOT should:

- **institute an annual award scheme for different classes of accommodation;**
- **offer a subsidised consultancy scheme for accommodation operators seeking to improve or 'green' their facilities;**
- **consider, with the private sector, the concept of a (voluntary) accommodation classification and grading scheme for the Cayman Islands.**

6.1.4 Visitor experience at attractions

The standard of most attractions (Pedro, National Museum, Botanic Gardens) and activities (particularly diving) in Cayman is notably high and there are proposals for improvement at various sites eg the turtle farm. However:

- there is room for improvement at other sites (eg Hell, the Sandbar at Stingray City, most public beaches) and general upgrading at most eg facilities for the disabled, sales of local produce.
- as with accommodation, there is an international trend towards providing explicit advice to visitors on quality standards of attractions, particularly activity or sports tourism operators where safety is an issue and this needs to be considered in Cayman where, again, a qualitative lead could be taken³⁵.
- Caymanians have maintained close control over entertainment licensing hours and retail trading hours. This approach may be construed as part of the traditional way-of-life which should be respected. However, in tourism terms, many visitors would appreciate some greater flexibility.
- While security remains a great strength of the Cayman Islands, the industry should not be complacent and safety issues should be considered in all management plans.

Action point: Institute a new management plan for the Sandbar, funded by levies, in order to control the number and manage the activities of boat operators.

Action point: Prepare an environmental enhancement and visitor management plan for Hell and its immediate environs including a review of retail and catering facilities.

Action point: Prepare environmental enhancement plans for all public beaches.

Action point: Institute visitor management audits at all attractions. 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: CIDOT should:

- **institute an annual award scheme for attractions;**
- **offer a subsidised consultancy scheme for attraction operators seeking to improve facilities/services;**
- **consider, with the private sector, the concept of a (voluntary) accreditation scheme for non-diving activity operators.**

³⁵ Diving is, of course, well regulated in safety terms through PADI and other schemes.

Action point: Government should consult and, in the light of findings, review retail and entertainment trading hours.

6.1.5 The environmental quality of the public realm

The quality of the public realm environment in Cayman is poor. This is a missed opportunity as much as a weakness. Bermuda, for example, has capitalised on its high standards of environmental control. This is becoming an increasingly important issue in all major destinations, particularly resorts, and cannot be understated. For example, the Balearic Islands in the Mediterranean have instituted a major programme of environmental improvements including demolition of inappropriate development, the creation of new public spaces etc, funded by an ecotax (€1/day) on tourists.

We refer specifically to central George Town below as a defined project but there is an urgent need to raise the environmental quality of, and enhance visitor management in all key public areas eg:

- The introduction of high quality hard and soft landscaping, including lighting;
- The provision of high quality, locally themed, street furniture (benches, shelters etc) and facilities eg public washrooms, drinking fountains etc;
- Pavement widening, street calming, pedestrian crossings;
- Creation of public spaces with seats and shading;
- Maintenance and decoration of buildings and public spaces;
- Advertisement control;
- Reducing visible public utility infrastructure eg phone and electricity cables;
- Public art and animation;
- Access for those with disabilities;
- Control of illegal trading.

As a more extreme measure, consideration should be given to the possibility of a major intervention in order to create a major new public space(s) or 'promenade', on the waterfront in George Town and on Seven Mile Beach as a focal point(s) for formal and informal entertainment, particularly in the evenings. This might include an events area, restaurants and speciality retailing, access to the beach etc. This would be a major capital project requiring significant public sector input but the long-term benefits for visitors and residents could be considerable.

Action point: Establish joint forum to:

- **identify all visitor foci and prepare environmental audits for prioritisation;**
- **prepare plans for key areas based on local design guidelines (Objective 2);**
- **initiate implementation of improvements.**

6.1.6 Regeneration plan for George Town

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. Whilst there are some attractive and traditional buildings still remaining around the harbour such as the museum, there has been some poor quality development which detracts from the overall ambience. Harbour Drive cuts off the town from the waterfront and the level of traffic and narrow pavement makes it

hazardous and an unpleasant place to linger. Away from the waterfront, the George Town retail area maintains the generally poor level of environmental quality with little public open space, lack of character and undistinguished architecture.

These problems are recognised; there have been recent experiments with road closures and a George Town Beautification Group has been established and there are plans to improve the Port area. There are also proposals for a Quincentennial Square in the vicinity of the Legislative Assembly.

We believe that a more radical approach is required. George Town should be one of the jewels in the Cayman crown, a natural focus for visitors and residents and a place in which everyone can take pride. As a matter of urgency a regeneration plan and action programme should be drawn up for George Town, focusing on the waterfront area. This should bring together all the relevant interests including tourism, public works, the Port, public transport, planning with inputs from the local community, National Trust etc.

The group should address the following issues:

- Analysis of pedestrian and traffic flows;
- Pedestrianisation or traffic calming of local streets;
- Establishment of a pedestrian waterfront promenade with shade and seating as part of the port redevelopment plans;
- Control of development to enhance the character and appeal of the area;
- Encouragement for the development of feature 'icon' buildings;
- Themed street furniture, signage and control of advertising;
- Hard and soft landscaping including public art and feature lighting;
- Improvement and presentation of important sites such as the fort and fish market;
- Creation of craft stalls/market area;
- The creation of a town square or garden with seats and shading to act as a focus.

Action point: Establish joint forum to:

- **prepare environmental audit of George Town;**
- **prepare master plan based on local design guidelines (Objective 2);**
- **implement improvements.**

6.2 PRESENT A DISTINCTIVE CAYMANIAN EXPERIENCE

The policy objective

To ensure that the Cayman Islands provides a special and distinctive experience for visitors which is rooted in the Islands' culture and heritage and differentiates them from competing destinations.

6.2.1 Why this is important

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. This is all part of the globalisation of our culture and is a threat to established destinations. People who once came to Cayman because it was exotic and different are now beginning to look elsewhere.

Whilst we cannot halt this process entirely, it is in Cayman's long term interests to ensure that it retains and develops its own special character. It cannot compete with cheaper, mass tourism beach resorts. It has to differentiate itself in some way and build an appeal based not only on its unique diving but also on the quality of the supporting infrastructure, the overall experience, and – most important - projection of a unique Caymanian character as central to the Cayman holiday brand. The aim is to create a 'lasting impression'.

Cultural expression is vital for the re-branding of 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. Visitors will pay a premium for this, it will help sustain a richer mix of facilities and enhance the standing and reputation of Cayman Islands.

Policy priority areas

- To promote access around the island(s)
- To develop new Caymanian attractions
- To provide access to arts and culture
- To enhance interpretation of heritage and culture
- To establish a Cayman Pride initiative
- To develop a Cayman design guide

6.2.2 Access around the island(s)

Getting out and about is the best way to experience the Cayman Islands and to meet Caymanians. 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 (information centres, car hire firms, public transport operators) and their materials need to promote the opportunities more vigorously but promotional material and maps needs to be supported by on-the-ground infrastructure eg:

- Tourist traffic signs to not only facilitate getting around but also to promote the more distant attractions;
- Motoring trail(s) linking attractions;
- Public transport services on Grand Cayman as a service to visitors and residents and as a potential attraction with new, distinctive 'Caymanian' livery;
- A shuttle bus to Pedro and the Botanic Gardens;
- More appropriate aircraft for domestic travel between the three islands.

There are numerous opportunities to develop a variety of facilities that capitalise upon the indigenous rural attractions of the Islands eg:

- Focal points for visitors around the Islands; places to stop, get information and refreshments. These might include (improved) public beaches, local heritage and nature sites etc;
- Signage and ladders at accessible shore dive sites;
- Sites for fishing (bone and tarpon) and bird watching scrapes and hides;
- A network of footpaths/trails for walkers, cyclists, horse riders and roadside cycle ways promoted through special events eg a walking festival;

Action point: Improve tourist road signage on Grand Cayman.

Action point: Review public transport opportunities for internal travel.

Action point: Improve and develop rural attractions and activities including trails and cycleways.

6.2.3 New Caymanian attractions

There are opportunities for new attractions in Cayman. However, it will be important to avoid replicating what is on offer at other destinations - or in the visitor's hometown eg 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 eg the rural/nature-based activities referred to above. Other specific opportunities for investigation include:

- A new National Park at Barkers;
- An Iguana, conservation-based attraction in the East End;
- Shipwreck City (see Objective 4);
- The Marine Institute on Little Cayman (for 'educational tourists');
- A new 'Farmers' Market';
- A new National Gallery;
- A dolphinarium/aquarium (subject to conservation debate);
- Various events.

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

6.2.4 Foster arts and culture and tourism access

Cayman culture (traditional and contemporary arts and crafts and reflecting the multi-national ethnicity of the current population) has a very important role to play as a tourism product, particularly in terms of promoting the distinctiveness of Cayman. Cultural awareness and practice needs 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 is emphasised in Vision 2008.

In tourism terms, the priority should be on developing ways in which visitors can gain access to, and help support, local arts and culture. This could be supplemented by a secondary focus on the wider Caribbean arts and culture. Opportunities and outlets need to be provided for individuals and local communities to present their work. 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 eg story-telling, a large scale Lookya involving all districts in George Town centre. The current event programme needs review and support.

Action point: Support the National Cultural Foundation to prepare a review of Caymanian cultural heritage and establish a cultural policy which:

- promotes exploration, understanding and appreciation of Caymanian history, heritage, culture and the arts;
- introduces and implements an integrated, enhanced arts curriculum in all schools supported by suitably trained teachers;
- provides more opportunities for further education in the arts and culture eg through the work of the National Museum and National Gallery.

Action point: Identify opportunities for developing and marketing cultural resources to visitors eg:

- Encourage the showcasing of Caymanian culture (and cultures within Cayman) through competitions, exhibitions, performances and events;
- Establish a marketing strategy to actively pursue international exposure for Caymanian arts and culture;
- Encourage the private sector to sponsor Caymanian art and culture eg public art, local drama;
- Support physical outlets/craft markets and other artistic events in George Town and the other districts, in hotels, attractions, at special events, and promote as an arts and crafts trail;
- Review and develop the arts and crafts event strategy.

6.2.5 Improve presentation and interpretation of heritage and culture

Whilst there are some notable exceptions (Pedro, National Museum), 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 (eg the Mastic Trail and a number of historic buildings) but has limited resources at its disposal and limited impact on visitors.

The presentation and interpretation of heritage and culture is of interest to many visitors and, presented in the right way, could help encourage visitors to explore and move further afield, forming the basis for a tour or trails. This does not have to be

complicated or expensive and the information needs to be presented in a light and accessible style. Simple, well-designed and robust plaques are all that is required in most instances, although some sites are so important that they will merit a more detailed treatment. Sites should be promoted with a high quality, colourful, well-written and designed piece of print 'Caymanian Treasures', which could be linked to the motoring trails.

Action point: Draw up a comprehensive interpretation strategy (built, natural and maritime heritage) for the Cayman Islands which will identify the main themes, key sites and areas of interest.

6.2.6 Establish a 'Cayman Pride' 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 6.)

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 (perhaps as a requirement of the new Business Staff Plans). We have given this the working title of 'Cayman Pride'. The course would 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;
- regional features.

All people who have undergone the course, would sport a Cayman Pride badge whilst on duty and would effectively act as tourist guides and ambassadors for Cayman.

To this end, where it is necessary to engage expatriate staff, there may be an advantage in operators seeking to recruit from other Caribbean countries staff who should be able to offer a regional perspective if not Caymanian.

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 local enquiries. This is something that needs to be inculcated at an early age along with appropriate general knowledge of the Islands.

Action point: Develop, in conjunction with relevant authorities, a Cayman Pride tourism awareness course.

6.2.7 Develop a Cayman design guide

The design of buildings and landscaping has an enormous impact in creating a sense of place and providing that special quality that draws people and makes them enjoyable places to be. In the modern world it is increasingly difficult to sustain this distinctive quality with a bland universal architecture replacing vernacular buildings and use of local materials. Everywhere is beginning to look much the same. This is particularly true in parts of Grand Cayman where the pace and scale of change has lacked distinction and largely obliterated what went before.

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

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

- protecting older buildings and areas with a distinctive character from thoughtless redevelopment;
- developing guidelines for new architecture and urban design eg:
 - The use of indigenous plants such as mahogany trees and sand gardens in landscapes;
 - The use of traditional pastel colours such as pinks and greens;
 - The use of traditional building materials, decoration and building forms such as wood, red zinc roofs, verandahs;
 - Reference to traditional design features and use of local sculpture;
 - The development of a distinctive new street furniture, shop signs, bus stops and signing.

Larger, icon buildings will require special treatment but developers must be required to address local design guidelines (modern or traditional interpretation) within the context of the highest possible standards of architectural design.

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

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

6.3 ADOPT A SUSTAINABLE APPROACH TO TOURISM DEVELOPMENT

The policy objective

To control and shape the future development of the tourism sector so that it brings real and lasting benefits to the Cayman Islands without overwhelming the local population, degrading the natural environment, or ruining its intrinsic character and appeal. The aim is to support a tourism sector which is sustainable and capable of flourishing over the long term.

6.3.1 Why this is important

Over recent years there has been a massive growth in generally characterless hotels, condominiums, retail and associated tourist development in the west end of Grand Cayman. This has fuelled the growth of tourism but in the process has dramatically changed the character of that part of the Islands. Due to the downturn in the market and economy there is now an over-supply of accommodation resulting in poor occupancies in the existing hotels and sites remaining part-developed. There is some evidence to suggest that the pace and nature of development that has taken place is eroding the attractiveness of the Cayman Islands to visitors. There is also a concern amongst the local population about the scale of development and its impact on the local way of life. This is compounded by the impact of large volumes of cruise ship passengers. These arguments are highlighted in Vision 2008³⁶.

Fortunately, physical over-development has probably not yet gone too far. In Majorca and other European resorts, drastic action is being taken to address the problems created by a laissez-faire attitude in the 1970s and 1980s. Eco-taxes have been imposed to help pay for selective demolition of inappropriate hotels, environmental improvements and the development of new infrastructure.

The Cayman Islands have a small and finite land area. Their unique appeal for tourism lies in their natural beauty and climate, quality of the marine environment, relaxed way of life and special character. These are intangible but invaluable assets and once lost cannot be re-created. The Cayman Islands cannot hope to compete with major resorts on the mainland and larger islands; 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 tourism development and visitor management 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.

Policy priority areas

- A new approach to planning
- A temporary moratorium on new visitor accommodation development
- Managing the impact of cruise ship passengers
- Prepare development guidelines for tourism zones
- Introduce impact assessments for major tourism projects
- Establish Environmental Protection Areas
- Encourage the tourism sector to be a leader in sustainable practices

³⁶ Strategies X and XI, Vision 2008

6.3.2 A new approach to planning

Land-use planning should be a means for facilitating sustainable development and conflict mediation. International approaches to planning are now being questioned and adapted as stakeholders seek better co-ordination between different interests and activities. 'Spatial planning' is now in vogue which broadens the approach beyond simple zoning or land-use planning³⁷. Planning is becoming a process of managing change. This is particularly pertinent to planning for tourism which involves a wide variety of facilities and activities including shops, eating out, beaches, sightseeing, sports activities etc used by tourists as well as specific tourism land-uses such as attractions, hotels and other visitor accommodation.

Effective planning for tourism should not, therefore, be concerned simply with the development of new tourism land-uses but must involve the management – and control - of all land-uses and activities that go to make a tourism destination. Destination visitor management in its widest sense is the most effective way to promote beneficial tourism development and ameliorate the perceived negative impacts. Planners have to take on much wider roles. Land-use planning remains part of this process but it is just one of a range of potential policy tools for managing tourism development. A new, pro-active 'spatial' approach to planning in Cayman would be ideal although clearly this has much wider implications beyond tourism. The proposed amendments to the Development Plan include a new goal that suggests a possible approach along these lines ie *"to effectively direct and manage development so as to safeguard the environment..."*.

Such an approach requires a partnership approach to planning and, in particular, between CDoT, DoE and the planning department.

Action point: Consideration should be given to instituting a new 'spatial' approach to planning for tourism.

6.3.4 A temporary moratorium

At present, tourist accommodation and related supply eg restaurants exceeds demand and will do so for the foreseeable future. Occupancies are low and businesses will not survive. Further building will add to the sense of over-development.

In any competitive economy, it is difficult to recommend controlling development if it meets with local legal/planning requirements. Theoretically, new entrants should be allowed to enter the market, compete and drive out poor performers and thereby drive up standards in line with market need. In practice, this does not always happen, particularly if the new development is no better than that already established. The business just tends to be spread thinner and leads to discounting and a move down market. This is what has happened in many parts of Spain and other resort destinations. Even if businesses are driven out, the legacy is yet more developed land. On a small island with limited land, this situation has to be managed.

³⁷ Malta provides a good example of spatial planning on a small island.

A temporary moratorium should be considered as a legitimate management tool. It does not need to be a blanket approach by type or by area and can be reviewed regularly.

A moratorium would involve no additional hotel development in Seven Mile Beach, West Bay and George Town, over and above existing commitments, until overall occupancies had reached 60% (hotels) for two consecutive years³⁸. This would have a number of benefits. It would help:

- sustain existing visitor accommodation businesses;
- control further development at the West End of Grand Cayman;
- encourage investment in upgrading or replacement of existing stock;
- encourage more development in the Eastern Districts.

Exceptions could be made for particular developments eg:

- Straight replacement of existing stock. Bermuda had a moratorium based on a 'Bed Bank' concept whereby new development was allowed on the basis of substitution and maintaining an optimum operating level for hotels;
- Extensions to existing, successful developments;
- The development of new product that is less than 20 rooms or not currently available on the Islands and which could attract new visitors eg B&B/guest house accommodation, small boutique hotels, superior cottage colony accommodation. CIDoT, after due consultation, should have the authority to identify specific 'need' in tourism product terms.

Advice should also be given to tourism developments seeking approval for trade and business licences, including restaurants, on prevailing market constraints. Consideration might also be given to the inclusion of locational criteria for such licences to help manage any situation of over-supply.

Action point: A moratorium on new hotel development in west Grand Cayman should be established until national occupancy rates are restored to a viable level. (The recommended target occupancy rate should be 60%, subject to regular review.)

6.3.5 Managing the impact of cruise ship passengers

Cruise ship passenger numbers have grown rapidly in recent years. They do make a financial contribution by way of taxes and expenditure and make few demands in terms of marketing and labour. There is also the chance of converting some passengers to stayover visits in the future³⁹. However, there is evidence from workshops that uncontrolled growth is having an impact on stayover visitors, residents and the cruise passengers themselves. There is also a view that higher value cruise operators could be targeted.

Clearly, the policy should be to limit numbers so that the experience is a good one and they do not dominate and deter stayover (and upscale cruise) visits. Unfortunately, hard information is not available; the scale of the problem and the relevant threshold is difficult to define. The real concern is that this growth is happening without a clear understanding of the impacts or a long-term strategy for

³⁸ Occupancies based on that required to achieve the Tourism Policy Framework target of 375,000 visitors by 2010.

³⁹ Around 10% of stayover visitors had cruised to the Cayman Islands before.

managing these visitors. The old policy limit of 5,500-6,000 passengers/day is ignored; the port is working to thresholds of up to 14,000 passengers/day for the next two-three years.

A new/refurbished port terminal should allow for better visitor management in George Town at least but no estimate of capacity has been undertaken and even better visitor management can not cope ad infinitum. We recommend placing an immediate cap of 9,200 passengers/day (ie average of four ships), subject to current/legal commitments, pending:

- a survey of visitor (and resident) attitudes towards cruise ship issues;
- a full appraisal of the new terminal performance;
- visitor management plans for the terminals, George Town waterfront and key attraction sites;
- discussions with FCCA and other operators; and
- a new marketing plan for the cruise market that reviews scale, value, passenger taxes/charges and scheduling.

Cayman is in a position to negotiate controls as long as it remains a special destination; it will not be if that advantage is lost.

Action point: Form a working group to implement the proposed cruise ship policy (maximum of 9,200 passengers/day), monitor operations at the new terminal, consult the cruise industry and prepare management and marketing plans.

6.3.6 Prepare development guidelines for tourism zones

The Development Plan delineates zones where tourism uses will be allowed and indicates the broad scale and nature of development allowed. Given the concern about over-development and its impact upon the potential visitor and existing businesses, it is now necessary to:

- limit any new allocations for future tourism development, pending more detailed review;
- review current planning commitments ie build-out capacities and assess the need for any de-classification of building land as has been done in Majorca;
- be more specific about the preferred form and structure of development ie integrated planning of destinations in clusters rather than individual plots;
- define clear setbacks (and rights of public access to the beach) for coastal development sites based on the line of natural vegetation.

In broad terms, consideration should be given to three distinct areas that will require different forms of tourism development ie:

- Seven Mile Beach/West Bay and George Town as the high density, activity and entertainment focus for Cayman needs to be re-assessed in terms of the desirability of further development, the opportunities for better visitor management, the implications of the extended by-pass and the need for environmental enhancement.
- The Eastern Districts, where new planned developments of a suitable scale and style should be clustered - when appropriate - to avoid contiguous ribbon development along the coast. There is a need to assess the implications of the proposed east-west corridor on development.
- The Sister Islands where sensitive development of small scale accommodation and eco-tourism activities would be appropriate.

Action point: Review capacities and prepare a series of tourism development guidelines for the three main tourism areas and relevant sub-areas. These will provide guidance to developers as to the overall framework and the nature and scale of tourism projects that are likely to be permitted (including coastal development setbacks).

6.3.7 Introduce impact assessments for major tourism projects

Some projects can have a major impact on the local environment. All major projects (coastal and terrestrial) should be subject to an impact assessment as part of the planning process to enable a more considered judgement on environmental impacts to be made. CIDOT should be formally involved in this process. The definition of what constitutes a major project will need refining as impacts will vary according to the nature of the area and the wider implications of the proposal. Criteria could be set out in the development guidelines (see above) and may vary from area to area. Some projects may have to be considered on an ad hoc basis eg new docks/cruise terminal facilities.

The impact assessment for any tourism development should examine 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 pollution, disturbance, energy use, waste disposal, traffic generation etc?

Action point: Clarify the criteria and processes for tourism related impact assessments.

6.3.8 Establish Environmental Protection Areas

Parts of the Islands are so important and so sensitive in terms of their 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.

At present whilst some progress has been made in the marine environment there is no such protection for areas on land. The need for such legislation was highlighted in Vision 2008 and the consultations for the Development Plan Review. The recent Environment Policy and the White Paper on Proposed National Conservation legislation refer to a national system of protected areas. It would be most effective if such protection was also incorporated in the Development Plan.

Action point: Prepare visitor access plans for designated protected areas.

Action point: Institute a national system of protected areas for sensitive environmental areas.

6.3.9 Encourage tourism sector to be a leader in sustainable practices

In the light of global concern about the environment, many destinations are taking steps to reduce the impact of the tourism industry on the environment. This is being done at the individual operator level and at destination level eg the EAST project in Jamaica, the Bahamas and Calvia's Local Agenda 21 (Majorca). A start was made in Cayman with the preparation of an Environmental Project for the Tourism Sector (CEPTS) by CIDoT, based on the EAST project, but it has not progressed due to financial constraints. This initiative makes sense in terms of good housekeeping and economics for an Island which has no natural water supply or indigenous source of energy and a limited supply of local produce. It also projects a positive image to the market, of which, a significant element is becoming more environmentally conscious.

This policy framework is based on sustainable 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.

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. The long-term goal would be the greening of the Cayman Islands as a whole.

Action point: Encourage operators to adopt more sustainable practices in terms of waste management, water and energy conservation, recycling and promoting environmental messages to their guests. This should involve demonstration projects, involving property from each island, along the lines of the EAST project.

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

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

Action point: Develop a Local Agenda 21 strategy and seek some form of 'green' accreditation for the Islands (such as Green Globe) which can be used as a marketing benefit to underscore the attractiveness and quality of the Cayman Islands as a tourist destination. (See Policy Objective 7 on eco-tourism.)

6.4 PROTECT AND ENHANCE THE MARINE RESOURCE

The policy objective

To manage and protect the marine environment so that it remains as a resource for tourism in the long-term.

6.4.1 Why it is important

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 tourism industry. The care and nurturing of the coral reef systems and beaches surrounding the Cayman Islands must be a priority for the long-term sustainability of the industry. Equally, there is a need to sustain the pre-eminence of local diving/snorkelling by managing the existing product, developing new product, maintaining high service levels and, of course, promoting the pre-eminence of Cayman in this activity.

Whether based in legislation or not, *“There is a need for more management of diving activities if the most popular sites are to maintain their aesthetic appeal and biological characteristics.”*⁴⁰ 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.

Policy priority areas

- To monitor environmental indicators
- To prepare a marine tourism management plan
- To reinforce Marine Conservation Laws
- To enhance the local dive product

6.4.2 Monitoring environmental indicators

Any management controls must be based on consistent monitoring of the health of the reef/fish stocks and to integrate results with diver visitation data and other environmental data eg local pollution and external factors such as bleaching. 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;**
- **Other environmental impacts including fishing;**
- **Diver motivations and satisfaction levels (very important).**

6.4.3 Develop marine tourism management plan

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

⁴⁰ J Tratolos and T J Austin, op cit

- 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 institution of any management controls must be based on 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.

Current concerns about beach erosion on Seven Mile Beach 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 6.3.6);
- Replenishment and stabilisation of sand; and
- Preparation of a contingency plan for an emergency situation.

Action point: Develop a marine tourism management plan including a visitor management plan for Stingray City (see Objective 1). Monitor success before committing to legislation.

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

6.4.4 Reinforce Marine Conservation Laws

There is 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.

Action point: Ensure DoE has the resources to enforce existing Marine Conservation Laws.

6.4.5 Enhance local dive product

There is a strong view that the dive product needs refreshing and there is now a commitment to the concept of 'Shipwreck City' which is seen as an exciting prospect by the dive industry. However, there are a number of environmental concerns that will need to be addressed.

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.

Action point: Institute full impact studies prior to the acquisition and sinking of any wreck and continue the monitoring of impacts (economic and environmental) over the long-term to justify the acquisition and sinking of other wrecks

6.5 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.

6.5.1 Why this is important

Cayman has been very successful in growing visitor numbers and market share in the region over the last decade. However, given current circumstances, a new strategy is needed. The objective is now to maximise revenue per head, not purely to increase visitor numbers. Other policy objectives and the re-branding exercise have pointed out the priority that must be given to product enhancement but this will have to be supplemented by a promotional strategy that targets higher spending/longer stay and out-of-season and niche market customers. New technology allows this to be done more accurately and cost-effectively.

The US dive market is, and will remain, the core market; it must not be neglected. However, it is essential that other high value markets are developed and encouraged both in North America and Europe. This will widen the reach, spread the risk and extend the season. The focus should remain upmarket ie visitors who appreciate the quality of the Caymanian product whether it be a five star resort or B&B, a condo on Seven Mile Beach or a cottage on the Sister Islands.

Policy priority areas

- To attract high value stayover visitors
- To attract high value cruise ship visitors
- To develop the domestic market

6.5.2 Attracting high value stayover visitors

The traditional dive and sand & sun markets remain as the Cayman core markets that need to be serviced and re-vitalised. Marketing initiatives are focusing on the three key themes set out in the overall marketing strategy:

- 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;
- communicating the value for money of a Cayman holiday.

There is a clear need to diversify into new markets. These should be other high value niche markets which complement the traditional dive/resort market eg:

- The MICE market;
- The weddings/vow renewal/honeymoon market CTO report; and
- Eco-tourism visitors, particularly as they can be attracted to the Sister Islands;

- Educational and religious trips;
- Sports tourism linked to festivals or competitions.

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

Action point: Initiate the new marketing plan bearing in mind the product development requirements.

Action point: Establish specialist groups to focus on marketing to niche markets and consider necessary product development issues eg conference facilities.

6.5.3 Attracting high value cruise ship visitors

The Tourism Policy Framework recommends better management of the cruise ship market (Objective 3). If the cruise ship market is to be better managed, a new pro-active marketing plan must be prepared and the priority must be:

- to focus on attracting the higher value cruise ships; and
- to achieve a greater dispersal of arrivals (across the seasons, the week and through the day); and

Meeting these objectives will need co-ordination with, and the co-operation of, a number of existing cruise lines that come to Cayman. Cayman has much to offer cruise lines and should be positive about such negotiations. It will also need more pro-active marketing to other cruise lines that currently do not visit Cayman.

Action point: Prepare a marketing plan for cruise ships following negotiations with relevant parties.

6.5.4 Developing the domestic market

The domestic market has not been tapped or even explored. 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 to a local TV travel programme featuring local areas and activities. This is a focal area for marketing the Sister Islands (Objective 7).

Action point: Prepare domestic tourism campaign working with the media and local operators.

6.6 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.

6.6.1 Why it is important

The strategy is predicated on achieving the highest standards of professionalism amongst the Caymanian workforce (Policy Objective 1) realised through 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 also 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 that more distinctive product. Current initiatives to raise the profile of tourism amongst Caymanians must be accelerated. Policy Objective 2 emphasised the value of a population that is aware of the industry but it is even more important to encourage more Caymanians to actually work in the industry.

Policy Objective 2 also referred to the need to instil in the whole workforce, through training for expatriates ('Cayman Pride') and formal education for Caymanians (art, local geography and history) the ability and commitment to promoting the Cayman brand.

Policy priority areas

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

6.6.2 A human resource strategy

A human resource strategy for the tourism sector needs to be prepared based on collaboration between all stakeholders, co-ordinated by the departments of tourism and education. This will involve:

- identifying skill gaps, training and trainer requirements;
- providing opportunities;
- 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, the Employment Resource Centre can subsidise work placements and CIDoT organises a range of short courses 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 combined 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: Require tourism operators to provide records of past, and schedule of future, staff training when applying for annual licences.

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

6.6.3 Encouraging more Caymanians to enter the industry

The objective should be to encourage the maximum utilisation 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 much greater investment in the 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, how many different jobs there are;
- 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;
- promotion of the wide variety of jobs;
- more positive promotion of the industry through the media;
- encouraging domestic tourism.

In the short term, this needs to be supported by a review of work permits, using the Business Staff Plans, to ensure the maximum utilisation of Caymanians in the tourism workforce. However, these initiatives need to be set in the context of other barriers or deterrents to entry such as the perceived pay structure and seasonality of jobs and possible ways around such issues eg reviewing the relative roles of service charges and base rates.

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.

6.7 DEVELOP ECO-TOURISM ON THE SISTER ISLANDS

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 eco-tourism.

6.7.1 Why it is important

Strategies VI and VII of Vision 2008 state the intention to develop and implement a plan which addresses the special needs of the Sister Islands. Little Cayman, with a small amount of accommodation and some of the best diving, continues to perform relatively well but there are problems to do with basic infrastructure. Cayman Brac needs new tourism development to help support the local economy.

In tourism terms, the Sister Islands rely on diving as in the rest of the country but there are opportunities for diversification and the creation of a distinctive product based on nature or eco-tourism and to promote the Islands to domestic tourists from Grand Cayman. The Sister Islands already represent the genuine Cayman experience or 'Cayman brand' to a large extent⁴¹. It will be important to maintain this character with appropriate, sustainable new development and facilities.

Policy priority areas

- To prepare a sustainable development framework
- To develop and promote eco-tourism projects
- To provide essential infrastructure

6.7.2 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 as proposed in Vision 2008 before development pressures make it difficult to retain their special character. There is already little scope for new development on Little Cayman given the pressures on the reef and the island infrastructure and while there is potential for appropriate development on Cayman Brac, there is a danger of inappropriate eg ribbon development.

In particular, there is a need to protect and manage key environmental areas eg the Bluff on the Brac, the wetlands on Little Cayman as well as the reefs. National Park status would not only protect the Islands but also provide a useful promotional tool, reinforcing the Islands' eco-tourism credentials.

Action point: Development plans should be prepared for the Sister Islands with relevant development guidelines and identified protected areas (see also Objective 3).

⁴¹ Eco-tourism is equally relevant to the eastern districts of Grand Cayman where the natural and cultural products can be easily accessed by bicycle and public transport.

Action point: The Sister Islands should be subject to the specific initiatives identified in Objective 4, notably:

- **the proposed Marine Tourism Management Plan;**
- **reinforcement of the Marine Conservation Laws;**
- **enhancement of the local dive product.**

6.7.3 Developing eco-tourism

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

- an appropriate planning framework that retains the local character and scale of development;
- special incentives for appropriate development on the Sister Islands eg:
 - new small scale accommodation subject to demand including B&B;
 - more walking trails and bird watching facilities;
 - refurbishment and interpretation of local built heritage;
 - development and promotion of local arts, crafts, cuisine, music etc.
- protected area status;
- improved service standards (see Objective 6);
- a dedicated marketing plan focusing on this new position as an eco-tourism destination and for domestic tourism (Objective 5).

To support this initiative, we recommend that the Sister Islands consider the implications of achieving Green Globe Destination status. 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 eco-tourism market - and set down a precedent for Grand Cayman and other islands.

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

Action Point: Investigate the opportunities and implications of either or both Sister Islands achieving international recognition as a sustainable 'green' tourism destination.

6.7.4 Essential infrastructure development

There are a number of infrastructure issues on the Sister Islands that seriously affect both residents and potential visitors:

- Little Cayman airport 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 current aircraft servicing the Sister Islands are inappropriate for the market;
- The taxi service at Cayman Brac does not meet requirements;
- The fire and medical services (including decompression facilities) are inadequate;
- The dock at Little Cayman is inadequate.

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

Action plan: Support air operators in providing the most appropriate equipment for the Sister Islands service.

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

6.8 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.

6.8.1 Why it is important

The current organisation of the tourism industry in the Cayman Islands needs review. In particular, all those involved in tourism will have to review their roles if the proposed policies in this framework 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 eg 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 ie the lines of communication between the government (and within different departments) and the private sector and the local community. Relationships with, and relevant roles of, the private sector also need to be clarified. One of the 'recurring objectives' in Vision 2008 is the need for 'Integration of Policy Development and Implementation'.

Policy priority areas

- To consider the establishment of a new statutory Tourism Authority
- To review channels of communication and responsibility on tourism issues in Government
- To provide institutional support for representative bodies
- To review public consultation processes
- To support the Policy Framework with adequate funding

6.8.2 A new statutory Tourism Authority

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 restrictive regulations and can not respond adequately to situations as they arise. Strategy 13 of Vision 2008 and the previous Tourism Development Plan recommended the establishment of a Tourism Authority to oversee tourism management and implement tourism policy in Cayman.

A new Tourism Authority should aim:

- to work within the context of a nationally approved tourism policy framework;
- to be a public-private sector body with proper representation of the industry;
- to have a clear set of responsibilities (product development and marketing), adequately resourced;

- for the participation and support of a range of stakeholders in the industry;
- for full co-operation, open flow of information and use of combined resources from within the industry and Government;
- to be independent of government operating machinery.

The specific benefits of a Tourism Authority need to be assessed against the different potential structures and potential roles and commitments by different parties. The key players will include specific Government departments along with CITA (and SITA) and the Chamber of Commerce representing the private sector, Cayman Airways and, from the local community, the District Sub-committees. Tourism crosses many boundaries and different parties may need to be involved in relation to different policy objectives.

Action point: Assess the implications of establishing a Tourism Authority, involving private and public sector participation, to develop and manage tourism in the Cayman Islands.

6.8.3 Communication and responsibility for tourism in Government

This Policy Framework highlights the important role that so many Government departments have to play in tourism development and management. Most are well aware of their role and tourism features strongly on their agenda. The corollary of this is that much of the work of these other Ministries impacts upon tourism even if there does not appear to be a direct relationship. For example immigration visas for visiting artists. New residential development, new roads, new electricity poles all impact upon the environment – and provide facilities that will be used by tourists.

It is crucial that these cross-cutting activities are co-ordinated and that CIDoT, and/or any successor Tourism Authority, 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 statutory Tourism Authority and those departments. It is particularly important that consultation procedures between departments are formalised so that CIDoT (or the Tourism Authority) can make representations directly and speedily on any proposal under consideration that might bear on the Tourism Policy Framework.

Action point: Establish a tourism policy co-ordinating committee with representatives from all relevant Government departments.

Action point: Review the channels of communication and policy decision-making between Government departments, particularly between tourism (or new Tourism Authority) and planning, environment, public utilities and environmental health.

6.8.4 Institutional support for representative bodies

Notwithstanding any future role in a new Tourism Authority, 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.

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

Action point: Representative tourism trade associations should be fully consulted and involved in all aspects of policy formulation and implementation.

Action point: Community groups and other institutions providing tourism products should be fully consulted and given appropriate support for relevant projects.

6.8.5 Public consultation processes

As stated in various parts of this Policy Framework, the local community have an important role to play, and an interest in, tourism.

Action point: The local community should be given the opportunity to comment on the Tourism Policy Framework and its implementation.

6.8.6 Funding policy implementation

Additional resources will be required to implement many of the policy objectives. The Policy Framework gives a new priority to product development, from environmental improvements to staff training and from new attractions to accommodation 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 (or the new Tourism Authority) will have new responsibilities under this Policy Framework and other Government departments also have resource commitments in the implementation of the Policy Framework.

In addition, consideration could be given to the establishment of a Tourism Development Fund to provide resources for a range of public sector initiatives (eg training, incentives etc) or others that perhaps do not fall squarely upon a particular department. Examples might include the turtle farm or upgrading George Town or projects which require additional funding to make a qualitative difference. It will be difficult, at present, to apply an additional levy on stayover visitors. Options include:

- a levy on cruise ship passengers;
- hypothecation of part of the accommodation tax;
- an 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 accommodation, transport services and attractions.

Action point: Each Government department must review their commitments and budget allocations for the implementation of the Policy Framework.

Action point: Government should give consideration to a new Tourism Development Fund for public tourism initiatives.

Action point: The Government needs to 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.

6.9 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.

6.9.1 Why it is important

There have been a number of difficulties in terms of data collection in recent years. 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 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."*⁴² 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 needs to be reviewed in conjunction with other Government departments and the private sector.

Policy priority areas

- To identify data requirements
- To review data gathering and analysis procedures
- To develop an economic impact model for the Cayman Islands
- To improve market research
- To monitor policy progress

6.9.2 Data requirements

An initial audit of data for the purposes of preparing the Policy Framework suggests a need for:

- better visitor profile information particularly:
 - main purpose of visit and main activities ie key drivers for the visit;
 - definition of VFR markets;
 - patterns of movement on the islands;
 - attitudes to, and perceptions of, the local product, notably accommodation; and
 - patterns of expenditure;
- tourism business growth indices including tourism employment;
- local community perceptions of tourism, 'quality of life' indicators;
- environmental indices eg energy consumption and waste disposal by tourists, tourism-related traffic, development pressures, impacts on sensitive sites etc;

⁴² 1992 Tourism Development Plan

- benchmarking against competing destinations including comparative costs eg air fares, accommodation, eating out, taxi fares.

Action point: Undertake an audit of information requirements.

6.9.3 Review 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. For example:

- Immigration forms have recently been overhauled to clarify key tourism questions. This is the most reliable source of representative data but more and clearer data needs to be gathered from the exit surveys and the two surveys co-ordinated.
- On-site surveys would be helpful in gaining true reactions to specific issues such as congestion in George Town and Stingray City when cruise ships are in, West Bay Road traffic, movement around the Islands etc.
- Tourism business performance indicators could be supplemented by a qualitative 'How's Business' survey and summarised quarterly.
- Annual residents' surveys would allow social and other impacts to be monitored regularly.
- Benchmarking of comparative costs could be fed into promotional campaigns as required.

This work needs to be co-ordinated by a responsible person in CIDoT but there is a case for data gathering by another agency.

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

6.9.4 Develop economic impact model for the Cayman Islands

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

Action point: Develop an appropriate economic impact model for the Cayman Islands.

6.9.5 Improving market research

Marketing initiatives will require specific research in addition to the basic market information and monitoring referred to eg assessments of the nature and scale of new target markets like eco-tourism.

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

6.9.6 Monitoring policy progress

It will be important to establish an annual evaluation programme that monitors progress towards achievement of the goals set in this Policy Framework.

Action point: Monitor progress on implementation of the Policy Framework.

7. IMPLEMENTATION

7.1 Overall responsibility

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

7.2 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 Policy Framework has a five year timespan and most Actions fit within that period but others are even more long term.

7.3 Summary of actions

In Table 7.1, we have gathered together all the Action Points presented in Chapter 6 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.

Those actions highlighted in red italics are considered to be easily implemented in the short term ie some 'quick fixes'.

Abbreviations	
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
Plan	Dept of Planning
PWD	Public Works Department
PTB	Public Transport Board/Licensing
Im	Dept of Immigration
CAA	Civil Aviation Authority
Port	Port Authority of the Cayman Islands
PSTA	Private sector tourism associations, including CITA, SITA, NCTC, CNWA etc
ChC	Cayman Islands Chamber of Commerce/private sector
NT	National Trust for the Cayman Islands
NCF	Cayman National Cultural Foundation
NM	Cayman Islands National Museum
NG	National Gallery of the Cayman Islands
Q500	Cayman Islands Quincentennial Festival
MHF	Cayman Maritime Heritage Foundation
CC	Cayman Islands Community College
HLB	Hotel Licensing Board
CIIB	Cayman Islands Investment Bureau
FS	Financial Services

Table 7.1: Summary of Action Points

6.1	PROVIDE A HIGH QUALITY PRODUCT FOR THE VISITOR	Policy priority areas <ul style="list-style-type: none"> • To improve visitor reception facilities and welcome • To upgrade accommodation • To upgrade attractions • To enhance environmental quality • To regenerate George Town 		
Action point		Priority	Responsibility	Timescale
1	Improve terminal facilities at Owen Roberts International Airport and George Town cruise terminal with high quality, new facilities/services.	1	CAA, Port, CIDoT, PSTA	3
2	Maintain training and subsequent high standards of service at both gateways to Cayman.	1	CAA, Port	1
3	Ensure a first class taxi service from both major airports.	1	PTB, CAA, CIDoT, PSTA	1
4	Review minimum standards for licensing visitor accommodation to identify where standards can be raised or most effectively tightened.	2	CIDoT, HLB	3
5	Government should consider the need for fiscal or other incentives (duty waivers or direct grants) for upgrading visitor accommodation. These could be linked to specific staff training programmes.	2	Ministry	3
6	CIDOT should: institute an annual award scheme for different classes of accommodation; offer a subsidised consultancy scheme for accommodation operators seeking to improve or 'green' their facilities; consider, with the private sector, the concept of a (voluntary) accommodation classification and grading scheme for the Cayman Islands.	2	CIDoT, PSTA, ChC, HLB	3
7	Institute a new management plan for the Sandbar, funded by levies, in order to control the number and manage the activities of boat operators.	1	DoE, CIDoT, PSTA	2
8	Prepare an environmental enhancement and visitor management plan for Hell and its immediate environs including a review of retail and catering facilities.	2	CIDoT, Ministry	3
9	<i>Prepare environmental enhancement plans for all public beaches.</i>	1	<i>PWD, CIDoT</i>	2
10	<i>Institute visitor management audits at all attractions. 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.</i>	2	<i>CIDoT, PSTA</i>	5
11	<i>CIDOT should: institute an annual award scheme for attractions; offer a subsidised consultancy scheme for attraction operators seeking to improve facilities/services; consider, with the private sector, the concept of a (voluntary) accreditation scheme for non-diving activity operators.</i>	2	<i>CIDoT/PSTA/ChC</i>	3
12	Government should consult and, in the light of findings, review retail and entertainment trading hours.	1	Ministry	3
13	<i>Establish joint forum to: identify all visitor foci and prepare environmental audits for prioritisation; prepare plans for key areas based on local design guidelines; initiate implementation of improvements.</i>	1	<i>CIDoT, Plan, PWD et al</i>	5
14	<i>Establish joint forum to: prepare environmental audit of George Town; prepare master plan based on local design guidelines; implement improvements.</i>	1	<i>CIDoT, Plan, PWB et al</i>	3

6.2	PRESENT A DISTINCTIVE CAYMANIAN EXPERIENCE The policy objective <i>To ensure that the Cayman Islands provides a special and distinctive experience for visitors which is rooted in the Islands' culture and heritage and differentiates them from competing destinations.</i>	Policy priority areas <ul style="list-style-type: none"> To promote access around the island(s) To develop new Caymanian attractions To provide access to arts and culture To enhance interpretation of heritage and culture To establish a Cayman Pride initiative To develop a Cayman design guide 		
		Action point	Priority	Responsibility
1	<i>Improve tourist road signage on Grand Cayman.</i>	1	<i>PWD, CIDoT</i>	3
2	Review public transport opportunities for internal travel	2	PTB	4
3	<i>Improve and develop rural attractions and activities including trails and cycleways.</i>	1	<i>CIDoT, PWD, DoE, NT, PTB</i>	5
4	<i>Investigate opportunities for indigenous, new high quality attractions and events and prepare feasibility studies.</i>	1	<i>CIDoT, PSTA, DoE, NT, CIIB et al</i>	5
5	Support the National Cultural Foundation to prepare a review of Caymanian cultural heritage and establish a cultural policy which: promotes exploration, understanding and appreciation of Caymanian history, heritage, culture and the arts; introduces and implements an integrated, enhanced arts curriculum in all schools supported by suitably trained teachers; provides more opportunities for further education in the arts and culture eg through the work of the National Museum/Gallery.	1	NCF, DoEd, NM, NG	3
6	<i>Identify opportunities for developing and marketing cultural resources to visitors eg: encourage the showcasing of Caymanian culture (and cultures within Cayman) through competitions, exhibitions, performances and events; establish a marketing strategy to actively pursue international exposure for Caymanian arts and culture; encourage the private sector to sponsor Caymanian art and culture eg public art, local drama; support physical outlets/craft markets and other artistic events in George Town and the other districts, in hotels, attractions, at special events, and promote as an arts and crafts trail; review and develop the arts and crafts event strategy.</i>	1	<i>CIDoT, NCF, PSTA/ChC, NM, NG, Q500, Event organisers</i>	5
7	<i>Draw up a comprehensive interpretation strategy (built, natural and maritime heritage) for the Cayman Islands which will identify the main themes, key sites and areas of interest.</i>	1	<i>NT, NM, MHF, CIDoT, DoE</i>	3
8	Develop, in conjunction with relevant authorities, a Cayman Pride tourism awareness course.	1	CIDoT, PSTA et al	3
9	Institute new regulations to list and protect buildings of special interest.	1	Plan, NT	3
10	Develop a formal design guide for the Cayman Islands which will act as a reference point for new development, including tourism development.	1	Plan, NT	2

6.3	<p>ADOPT A SUSTAINABLE APPROACH TO TOURISM DEVELOPMENT</p> <p>The policy objective <i>To control and shape the future development of the tourism sector so that it brings real and lasting benefits to the Cayman Islands without overwhelming the local population, degrading the natural environment, or ruining its intrinsic character and appeal. The aim is to support a tourism sector which is sustainable and capable of flourishing over the long term.</i></p>	<p>Policy priority areas</p> <ul style="list-style-type: none"> • A new approach to planning • A temporary moratorium on new visitor accommodation development • Managing the impact of cruise ship passengers • Prepare development guidelines for tourism zones • Introduce impact assessments for major tourism projects • Establish Environmental Protection Areas • Encourage the tourism sector to be a leader in sustainable practices 		
Action point		Priority	Responsibility	Timescale
1	Consideration should be given to instituting a new 'spatial' approach to planning for tourism.	2	Plan, CIDoT	5
2	A moratorium on new hotel development in west Grand Cayman should be established until national occupancy rates are restored to a viable level. (The recommended target occupancy rate should be 60%, subject to regular review.)	1	Ministry, Plan, CIDoT	1-5
3	<i>Form a working group to implement the proposed cruise ship policy (maximum of 9,200 passengers/day), monitor operations at the new terminal, consult the cruise industry and prepare management and marketing plans.</i>	1	<i>CIDoT, Port, PWD, Plan, PSTA</i>	1
4	Review capacities and prepare a series of tourism development guidelines for the three main tourism areas and relevant sub-areas. These will provide guidance to developers as to the overall framework and the nature and scale of tourism projects that are likely to be permitted (including coastal development setbacks).	1	Plan, CIDoT, PSTA	3
5	Clarify the criteria and processes for tourism related impact assessments.	1	DoE, CIDoT, Plan	3
6	Prepare visitor access plans for designated protected areas.	1	DoE, CIDoT	3
7	<i>Institute a national system of protected areas for sensitive environmental areas.</i>	1	<i>DoE, NT, Plan, CIDoT</i>	1-2
8	<i>Encourage operators to adopt more sustainable practices in terms of waste management, water and energy conservation, recycling and promoting environmental messages to their guests. This should involve demonstration projects, involving property from each island, along the lines of the EAST project.</i>	1	<i>CIDoT, Plan, DoE, DEH, Utility companies</i>	3
9	Institute an environmental building code within local building regulations.	1	Plan	3
10	Support local agricultural and other local produce initiatives and help promote links with the tourism sector.	1	CIDoT, PSTA, Min of Agriculture/Commerce	1-5
11	Develop a Local Agenda 21 strategy and seek some form of 'green' accreditation for the Islands (such as Green Globe) which can be used as a marketing benefit to underscore the attractiveness and quality of the Cayman Islands as a tourist destination.	1	CIDoT, Plan, DoE, DEH, PSTA, Utility companies	5

6.4	PROTECT AND ENHANCE THE MARINE RESOURCE	Policy priority areas		
	<p>The policy objective <i>To manage and protect the marine environment so that it remains as a resource for tourism in the long-term.</i></p>	<ul style="list-style-type: none"> To monitor environmental indicators To prepare a marine tourism management plan To reinforce Marine Conservation Laws To enhance the local dive product 		
	Action point	Priority	Responsibility	Timescale
1	<i>Devise and agree methods for measuring: numbers of divers at different sites; environmental impacts of diving; other environmental impacts including fishing; diver motivations and satisfaction levels (very important).</i>	1	<i>DoE, PSTA, CIDoT, Marine Cons Board</i>	3
2	Develop a marine tourism management plan including a visitor management plan for Stingray City. Monitor success before committing to legislation.	1	DoE, PSTA, CIDoT, Marine Cons Board	3
3	Co-ordinate support and prepare action plan to deal with the issues of beach erosion.	1	DoE, CIDoT, PSTA, Plan	1
4	Ensure DoE has the resources to enforce existing Marine Conservation Laws.	1	Ministry, DoE, Marine Cons Board	2
5	Institute full impact studies prior to the sinking of any wreck and continue the monitoring of impacts (economic and environmental) over the long-term to justify the acquisition and sinking of other wrecks.	1	DoE, CIDoT, PSTA	5
6.5	ATTRACT A MORE DISCERNING AND HIGHER SPENDING VISITOR	Policy priority areas		
	<p>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.</p>	<ul style="list-style-type: none"> To attract high value stayover visitors To attract high value cruise ship visitors To develop the domestic market 		
	Action point	Priority	Responsibility	Timescale
1	<i>Initiate the new marketing plan bearing in mind the product development requirements.</i>	1	<i>CIDoT, PSTA</i>	1-5
2	Establish specialist groups to focus on marketing to niche markets and consider necessary product development issues eg conference facilities.	2	CIDoT, PSTA	3
3	<i>Prepare a marketing plan for cruise ships following negotiations with relevant parties.</i>	1	<i>CIDoT, PSTA</i>	1
4	<i>Prepare domestic tourism campaign working with the media and local operators.</i>	2	<i>CIDoT, PSTA</i>	3

6.6	DEVELOP A HIGHLY SKILLED CAYMANIAN TOURISM WORKFORCE	Policy priority areas		
	The policy objective <i>To develop a high quality workforce for the Cayman tourism industry, including a higher proportion of Caymanians, to promote the Cayman brand.</i>	<ul style="list-style-type: none"> To initiate a human resource strategy for tourism To encourage more Caymanians to enter the industry 		
	Action point		Priority	Responsibility
1	<i>Undertake local tourism labour needs review, by category.</i>		1	<i>CIDoT, PSTA, ChC, DoEd, CC</i>
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
3	Review options for hospitality training in Cayman as part of overall delivery plan.		2	DoEd, CIDoT, CC, PSTA, ChC
4	Support the tourism awareness campaigns of CIDoT and other agencies.		1	CIDoT, PSTA, ChC, DoE
5	Undertake survey of Caymanian attitudes to working in tourism, identifying barriers, deterrents and solutions.		2	CIDoT, PSTA, ChC
6.7	DEVELOP ECO-TOURISM ON THE SISTER ISLANDS	Policy priority areas		
	The policy objective <i>To establish and maintain a distinct but separate tourism identity for the Sister Islands of Cayman Brac and Little Cayman, based on sustainable eco-tourism.</i>	<ul style="list-style-type: none"> To prepare a sustainable development framework To develop and promote eco-tourism To provide essential infrastructure 		
	Action point		Priority	Responsibility
1	Development plans should be prepared for the Sister Islands with relevant development guidelines and identified protected areas.		1	Plan, NT, DoE
2	Sister Islands should be subject to the specific initiatives identified in Obj. 4, notably: The proposed Marine Tourism Management Plan; Reinforcement of Marine Conservation Laws; Enhancement of local dive product.		1	DoE, CIDoT, PSTA
3	Encourage, with suitable incentives, appropriate small-scale eco-tourism development projects on the Sister Islands.		1	CIDoT, PSTA Ministry
4	Investigate the opportunities and implications of either or both Sister Islands achieving international recognition as a sustainable, 'green' tourism destination.		1	CIDoT, Plan, DoE, DEH, Utility Co's, PSTA
5	Establish a safe, 'island-style' airfield to serve Little Cayman.		1	CAA, PWD, PSTA
6	Support air operators in providing the most appropriate equipment for the Sister Islands service.		1	Ministry, airlines
7	Provide essential public services on Little Cayman eg fire, medical and docking/marina facilities on both Islands.		1	Ministry

6.8	ORGANISE TOURISM IN THE CAYMAN ISLANDS MORE EFFECTIVELY	Policy priority areas		
	<p>The policy objective <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></p>	<ul style="list-style-type: none"> To consider the establishment of a new statutory Tourism Authority To review channels of communication and responsibility on tourism issues in Government To provide institutional support for representative bodies To review public consultation processes To support the Policy Framework with adequate funding 		
	Action point	Priority	Responsibility	Timescale
1	Assess the implications of establishing a Tourism Authority, involving private and public sector participation, to develop and manage tourism in the Cayman Islands.	1	CIDoT, Ministry	2
2	<i>Establish a tourism policy co-ordinating committee with representatives from all relevant Government Departments.</i>	1	<i>CIDoT or new Tourism Authority, DoE, Plan, DEH, DoEd, PWD, PTB etc</i>	1
3	<i>Review the channels of communication and policy decision-making between Government departments, particularly between tourism (or new Tourism Authority) and planning, environment, public utilities and environmental health.</i>	1	<i>CIDoT or new Tourism Authority, DoE, Plan, DEH, DoEd, PWD, PTB etc</i>	2
4	<i>Representative tourism trade associations should be fully consulted and involved in all aspects of policy formulation and implementation.</i>	1	<i>CIDoT, PSTA, ChC</i>	5
5	<i>Community groups and other institutions providing tourism products should be fully consulted and given appropriate support for relevant projects.</i>	1	<i>CIDoT, NCF, NT et al</i>	5
6	<i>The local community should be given the opportunity to comment on the Tourism Policy Framework and its implementation.</i>	1	<i>CIDoT, Ministry</i>	1
7	Each Government department should review their commitments and budget allocations to the implementation of the Tourism Policy Framework.	1	All Departments	1
8	Government should give consideration to a new Tourism Development Fund for public tourism initiatives.	1	Ministry	2
9	The Government needs to 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	Ministry, PSTA, CIIB, ChC	3

6.9	RESEARCH AND MONITOR TOURISM MORE EFFECTIVELY The policy objective <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>	Policy priority areas <ul style="list-style-type: none"> To identify data requirements To review data gathering and analysis procedures To develop an economic impact model for the Cayman Islands To improve market research To monitor policy progress 		
		Action point	Priority	Responsibility
1	<i>Undertake an audit of information requirements.</i>	1	<i>CIDoT, PSTA</i>	1
2	<i>Gather, analyse and present relevant tourism data on a regular basis.</i>	1	<i>CIDoT and/or Economics Research Unit</i>	5
3	Develop an appropriate economic impact model for the Cayman Islands.	1	CIDoT, PSTA, ChC, FS	2
4	<i>Review market research needs and prepare a research strategy.</i>	2	<i>CIDoT, PSTA</i>	5
5	Monitor progress on the implementation of the Policy Framework.	2	CIDoT	5

APPENDIX I: Consultees

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APPENDIX II: SELECTED BIBLIOGRAPHY

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