



# GOVERNMENT OF ANGUILLA

## SUSTAINABLE TOURISM MASTER PLAN 2010 - 2020

- Final Report -

17th October, 2011

**Halcrow**

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# GOVERNMENT OF ANGUILLA

## FINAL REPORT

### Preparation of a Sustainable Tourism Master Plan 2010 – 2020

17<sup>th</sup> October, 2011

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## GLOSSARY OF TERMS

ACC:	Anguilla Community College	HR:	Human Resources
AHMA:	American Hotel & Motel Association	HRD:	Human Resource Development
AHTA:	Anguilla Hotel and Tourism Association	HTI:	Hospital Training Institute
ANT:	Anguilla National Trust	MICE:	Meetings, Incentive, Conference, Events
ASD:	Anguilla Statistics Department	MoA:	Memorandum of Agreement
ATB:	Anguilla Tourist Board	MRG:	Minimum Revenue Guarantee
BRIC:	Brazil, Russia, India, China	NFA:	National Farmers Association
CDB:	Caribbean Development Bank	OCT:	Overseas Countries and Territories
CHA:	Caribbean Hotel Association	PMU:	Project Management Unit
CIDA:	Canadian International Development Agency	PRSP:	Poverty Reduction Strategy Paper
CTHRC:	Caribbean Tourism Human Resource Council	RO:	Reverse Osmosis
CTLS:	Caribbean Tourism Learning System	SAC:	Standards Advisory Committee
CTO:	Caribbean Tourism Organisation	SOP:	Standards of Operation Procedures
CVQ:	Caribbean Vocational Qualification	STMP:	Sustainable Tourism Master Plan
DFID	Department for International Development	TDA:	Tourism Development Area
EDF:	European Development Fund	Triple A:	American Automobile Association
EMS:	Environmental Management Systems	TVETC:	Technical Vocational and Educational Training Council
EU:	European Union	UNESCO:	United Nations Educational, Scientific & Cultural Organisation
FEDICT:	Ministry of Finance, Economic Development, Investment, Commerce and Tourism	VES:	Visitor Exit Survey
GDP:	Gross Domestic Product	WCA:	Water Corporation of Anguilla
GDS:	Global Distribution Systems	WP:	Working Party
GOA:	Government of Anguilla		
GVA:	Gross Value Added		



## ACKNOWLEDGEMENTS

Many people contributed to the preparation of the Sustainable Tourism Master Plan in terms of their ideas, published and unpublished documents and their time in discussing and reviewing the plan in its various stages. In this regard:

We would like to acknowledge the interest and encouragement of His Excellency, the Governor of Anguilla, Mr. Alistair Harrison and the Honourable Members of the Executive Council.

We would particularly like to thank the Chief Minister, Hon. Hubert Hughes, the Parliamentary Secretary, Hon. Haydn Hughes, Dr. Aidan Harrigan, Permanent Secretary, Ministry of Finance, Economic Development, Investment, Commerce and Tourism and Mr. Foster Rogers, Permanent Secretary, Home Affairs for their support and involvement in the work programme – participating in the deliberations of the stakeholders workshops and making themselves available to discuss issues as they arose.

Special acknowledgement and thanks are due to Ms. Jasmin Garraway, Coordinator Tourism Sector Development Project and Ms. Gina Brooks, Tourism Planner, the Executive Assistant and the Project Implementation Team at FEDICT, who were unfailingly helpful in sourcing information, facilitating the arrangement of the stakeholders' meetings and appointments, organising interviews and acting as points of reference throughout the study period. Without their assistance it is unlikely that the extensive fieldwork and consultative process would have been completed in the time available.

The members of the Project Steering Committee were especially supportive, meeting with us on more than one occasion during each fieldwork mission. Their contribution was not only as a 'sounding board' for our ideas, but also at the formative stages, helped in giving a sharper focus to the overall direction of the study.

We received extensive cooperation from the various Government ministries, departments and agencies that we approached for information and views related to the assignment. In this regard we would like to acknowledge the advice and technical information we received from the Departments of Physical Planning; Environment; Fisheries & Marine Resources; Inland Revenue and Statistics; The Anguilla National Trust and the Anguilla Tourist Board. The Anguilla Air & Sea Ports Authority was particularly helpful not only with respect to the provision of information on port activities but also their contribution on access transport development issues.

The work of the project was greatly facilitated by the cooperation and rapport from the private sector. For this we would like to express an appreciation to Anguilla Hotel and Tourism Association, the Viceroy Anguilla Resort, the Taxi Association. Indeed, we would like to thank the many officials and representatives of the Anguilla tourism sector, the hotel managers, restaurateurs, the ferry, tour and villa operators, the Chamber of Commerce, the NGO community, service clubs many others.....who assisted in this study and are impossible to acknowledge and thank individually.

Finally, we would like to acknowledge the support of the citizenry of Anguilla who contributed to the formulation of the report not only through the STMP web link and public fora, but also through the various media houses including the team at Radio Anguilla and Rainbow FM, Pam Webster - host of the Mayors Show [anguillanews.com](http://anguillanews.com) the Anguillian newspaper, and The Daily Herald.



**Handover by Dr. Philip Heneghan (CHL) of Sustainable Tourism Master Plan to His Excellency, the Governor of Anguilla, Mr. Alistair Harrison and the Chief Minister, Hon. Hubert Hughes**

## 1. INTRODUCTION

### 1.1 BACKGROUND

Anguilla is 16 miles long and 3.5 miles wide – has a population of some 15,500 residents. However, what Anguilla lacks in size, it more than makes up for in that much sought Caribbean asset; pristine, powdery beaches. Boasting 12 miles of white coral coastline, Anguilla's calm and turquoise waters are major attractions. Comprised of several other islands and cays, Anguilla is one of the foremost exclusive vacation destinations in the Caribbean.

Because Anguilla has few other natural resources, the economy is heavily dependent on luxury tourism and financial services. Increased activity in the tourism industry in the middle years of the last decade spurred the growth of the construction sector contributing to economic growth. This reflected rising levels of foreign direct investments, which were funnelled towards tourism, land sales and real estate developments. In turn this led to an overheating of the Anguillian economy, resulting in labour shortages, rising wage inflation.

However, the impact of the 2008/9 global economic and financial crisis on international travel and investment flows resulted in a sharp setback for the Anguillian economy.

### 1.2 AIM OF THE SUSTAINABLE TOURISM MASTER PLAN

In response, the Government of Anguilla recognised that the future development of the tourism sector must be put on a sound footing. A Sustainable Tourism Master Plan was required to

*'provide the policy framework for development, management, monitoring and long term sustainability of the tourism sector for the ten year period',*

the main objectives of the STMP being to elaborate:

- A formal long-term 10-year plan to serve as a reference for informed, strategic decision making by GOA as it relates to tourism management and development in general.
- A comprehensive planning framework for the sustainable development of the tourism sector.
- A vision of the future direction and content of the sector which can help to focus and guide the actions of the various stakeholders towards a shared goal.
- Strategies for the development of tourism products and facilities in context of the environmental and cultural preservation and conservation.
- The appropriate structures, strategies and systems required at both the policy and operational levels for the implementation of the master plan.
- The action plans and timeframes to meet the vision, and
- Secure long term benefits at both the macro-economic and community levels.



### 1.3 MASTER PLAN FORMULATION INVOLVED EXTENSIVE CONSULTATIONS

Extensive consultations were held with stakeholders directly and indirectly associated with the tourism sector in Anguilla. Four fieldwork missions were undertaken during which product inspection trips were undertaken to all areas in Anguilla involving visits to nature sites, touristic attractions and resorts in these areas.

An important part of the consultative process was convening of focus group meetings with sub-sectors of the industry and a public visioning forum under the aegis of the Ministry of Finance, Economic Development, Investment, Commerce & Tourism (FEDICT).

The participants at these meetings and workshops included individuals from the public and private sectors holding key positions in the industry (hoteliers, tour operators, representatives of industry associations etc) together with personnel from different government agencies.

The deliberations and recommendations from these meetings, workshops and fora have been taken into account in the elaboration of this report.

Separate reports on these stakeholders' meetings, including the public visioning forum, have been prepared.



#### 1.4 STRUCTURE OF STMP REPORT

Reflecting the scope of work specified by the ToR, the STMP report is composed of five parts, respectively covering tourism objectives, vision & development strategy, plans, projects & programmes, organization & implementation, impacts & implications.

Part I – The Challenge – contains a summary of the findings of the Interim Report, which is the backdrop to the STMP. As tourism is the major driver of the Anguillian economy, the growth objectives for the tourism sector are established within a macro – economic context. Three tourism development scenarios are determined. Based on an assessment of the implications of these scenarios, the optimum growth scenario is recommended which represents what is considered to be the maximum achievable on a sustained basis over the next decade.

Part II – Vision and Development Strategy – elaborates a vision for the development of the sector, based on the extensive consultation undertaken with stakeholders involving public and tourism sector ‘visioning’ fora, group discussions and workshops. A web-site link was also set up to facilitate the citizenry of Anguilla to have an input into the formulation of the vision and development strategy.

Based on this vision, coupled with the guiding principles for tourism development as espoused by the Government of Anguilla, a development concept for tourism is elaborated.

Part III – Plans, Projects and Programmes – contains the recommended product development plan, which includes detailed profiles of infrastructure projects at the selected sites. Part III also contains a range of Action Programmes covering inter alia, a framework for encouraging sound environmental practices by tourism developers and operators and an assessment of the appropriateness of the local hospitality training institutes’ programmes to meet existing and projected sector needs. Included in this part of the STMP report is a comprehensive Destination Marketing Plan, covering market projections, promotional actions and budgets.

Part IV – Organisation and Implementation – contains recommendations on the appropriate institutional framework to facilitate implementation of the STMP. The financing options for STMP implementation are considered and an implementation plan is outlined.

Part V – Impacts and Implications – describes the socio-economic and environmental impacts and implications of STMP implementation and a framework for risk management is developed.

## 2. SHAPING THE FUTURE

### 2.1 IMPORTANCE OF TOURISM

Tourism is very important to the Anguillian economy. In 2010, visitors to the country spent an estimated US\$99.4 million which supported some 3,000 jobs directly in hotels, restaurants, car rental companies, guesthouses, villas etc, representing just over two-fifths (41%) of total employment. When the jobs which are indirectly dependent on tourism, such as in shops, construction etc, are also taken into account, it is estimated that just over 60% of all jobs on Anguilla are dependent on tourism in one way or the other.

### 2.2 GOVERNMENT LOOKING TO TOURISM AS THE WAY FORWARD

Anguilla's open economy is extremely vulnerable to changes in the external economic environment. This is reflected in the current difficult economic and fiscal situation. Not only has the economy (GDP) sharply contracted, but the public financial situation has deteriorated.

Going forward, the Government of Anguilla (GOA) faces three major challenges, viz how to:

- Increase standards of living for all Anguillian citizens.
- Increase job opportunities and reduce unemployment, and
- Stabilize and improve the public finances.

In order to revive the economy, the GOA is looking mainly to the tourism sector. Here, tourism has the potential to make a significantly greater contribution to the economy by capitalising on the country's ecological and cultural attractions which include pristine, white sandy beaches, diverse marine life and heritage sites.

However, the realisation of Anguilla's tourism potential will not just simply happen. This requires the:

- Conceptualisation of a shared vision by all stakeholders for tourism development on the island.
- Elaboration of this vision in terms of the products and supporting infrastructure to be developed.
- Determination of an optimum growth path within the context of available resources.
- Identification of the projects and programmes to ensure the sustainability of the growth path, and
- Organisation and change management to effect implementation of the proposed action plans to realise the tourism vision.

### 2.3 TOURISM VISION 2020

The formulation of the Tourism Vision for Anguilla is the result of a gradual, evolutionary and participatory process characterised by extensive consultation with stakeholders, involving public and tourism sector 'visioning' fora, group discussions and workshops. A web-site link was also set up to facilitate the citizenry of Anguilla having an input into the formulation of the vision.

Underlying Anguilla's beautiful beaches, high quality resorts, world class cuisine, it is the distinct Anguillian experience which sets the country apart as a desirable vacation destination.

Anguilla offers the ultimate traditional holiday experience – peaceful relaxation, unhurried; an unquestioning acceptance by a warm and friendly people; a feeling of being safe and looked after in an environment of pampered luxury. A tranquil hideaway, with no mass tourism. A place where there are no pressures to do things; a place where time stands still.

Reflecting this, the following Vision statement has been formulated:

***TOURISM VISION***

***‘We are a premier Caribbean destination known for our world class beaches; pristine azure waters; top class resorts and restaurants; relaxed ambience; sense of place, peace and tranquillity in a safe setting among a friendly and hospitable people that take pride in their identity, cultural heritage and environment’.***





## 2.4 TOURISM DEVELOPMENT CONCEPT AND PLAN

To give coherence to the overall planning, management and promotion of the Anguillian tourism product, a development concept and plan is proposed that is based on three key fundamentals:

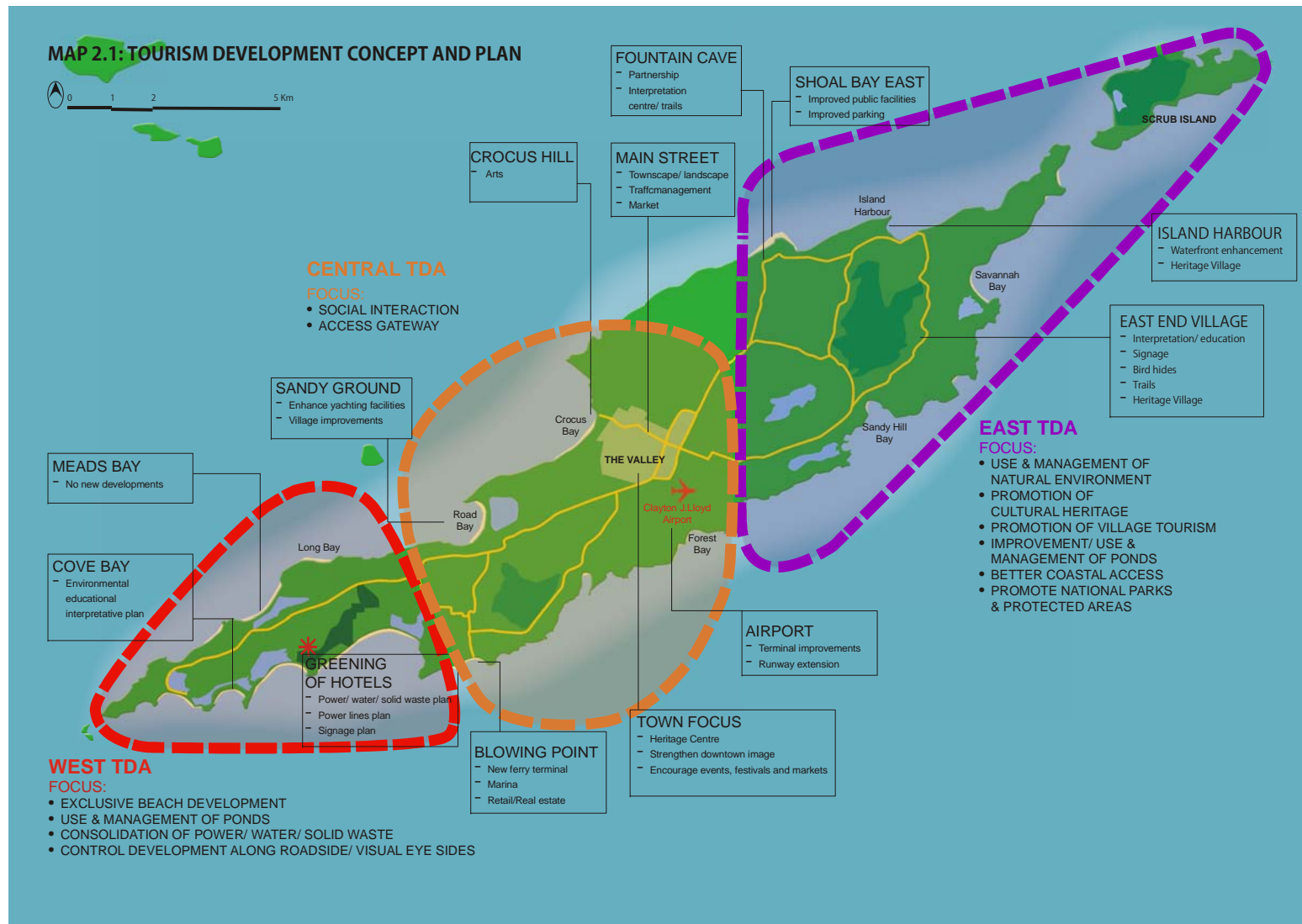
- Designation of three Tourism Development Areas (TDAs)
  - East End TDA, Central TDA and West End TDA.
- Diversification of the product offer in a way that can be promoted to different niche markets.
- Capacity of environment to sustain tourism development.

It is important to emphasise that designation of TDAs does not imply 'zoning' in any form. Rather, the aim of the TDA concept and plan is to provide a framework for appropriate types and scale of tourism development at the island level. The plan identifies areas suitable for tourism development comprising natural and cultural resources, facilities and infrastructure.

Proposed tourism developments are based on the development plan of private sector developers, in-field observations of present use, feedback from government departments and evaluation of potential opportunities and the Tourism Vision.

Although the plan is developed at the island wide level and is largely a top down approach, planning for tourism must take account of local issues and community participation, important components of the TDA development plans.





## 2.5 TOURISM DEVELOPMENT SCENARIOS

Targeted to maintain and increase living standards for all Anguillians, three national economic growth scenarios are put forward.

The first, Scenario A, represents a **low** growth scenario, but which is consistent with maintaining present standards of living (in real terms) for Anguillian citizens over the next decade.

The second, Scenario B, represents a **medium** growth scenario and is based on restoring Anguillian standards of living to 2008 levels by 2020.

The third, Scenario C, represents a **high** growth scenario and reflects the average yearly rate of growth (4.5%) of living standards experienced by Anguillians during the period 2003/8.

Based on these economic growth scenarios, three corresponding tourism development scenarios have been developed, summarised on Table 2.1.

The low growth Scenario A, projects a 5% average yearly growth rate of tourism over the next decade; the high growth rate Scenario C, projects a 10% yearly expansion of tourism. The medium growth Scenario B, with a 7.5% average yearly growth rate, implies a doubling of the size of the industry over the ten year period to 2020.

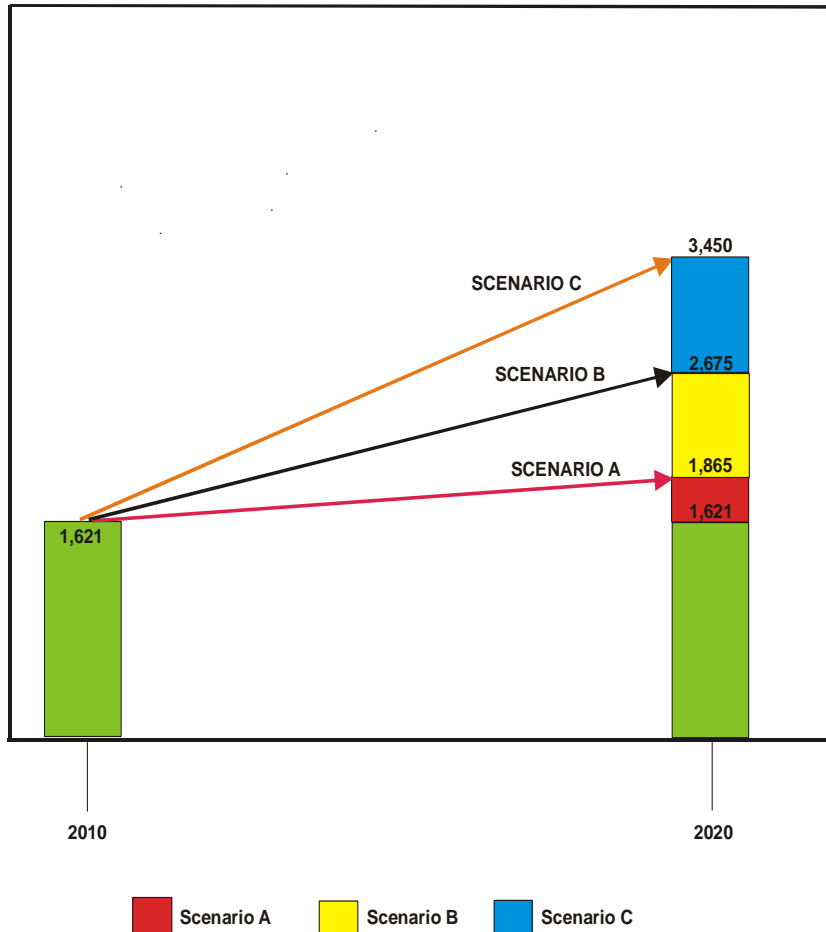
Table 2.1: Tourism Growth Scenarios

Scenarios	2010	2020	2010 – 2020 Growth Avg Yr %
<b>A. Low Growth</b>			
Total Tourism Receipts (US\$000's)	99,400	162,000	5.0
• Stay-over tourists US\$ (000's)	95,200	155,000	
• Excursionists US\$ (000's)	4,200	7,000	
- yacht visitors US\$ (000's)	1,500	2,750	
- cruise passengers US\$ (000's)	100	250	
- ferry/air excursionists US\$ (000's)	2,600	4,000	
Tourist stay-over numbers	62,000	100,000	
Excursionist numbers	56,400	83,000	
- yacht visitors	20,000	30,000	
- cruise visitors*	1,400	3,000	
- ferry/air excursionists	35,000	50,000	
Bed-nights in paid serviced accommodation	368,000	613,000	
Rooms @ 40% room occupancy	1,621	2,330	
Rooms @ 50% room occupancy	-	1,865	
Direct Employment in Tourism	3,000	3,500	
<b>B. Medium Growth</b>			
Total Tourism Receipts (US\$M)	99,400	205,000	7.5
• Stay-over tourists US\$ (000's)	95,200	196,500	
• Excursionists US\$ (000's)	4,200	8,500	
- yacht visitors US\$ (000's)	1,500	3,000	
- cruise passengers US\$ (000's)	100	300	
- ferry/air excursionists US\$ (000's)	2,600	5,200	
Tourist stay-over numbers	62,000	126,750	
Excursionist numbers	56,400	114,000	
- yacht visitors	20,000	40,000	
- cruise visitors*	1,400	4,000	
- ferry/air excursionists	35,000	70,000	
Bed-nights in paid services accommodation	368,000	860,000	
Rooms @ 40% room occupancy	1,621	3,300	
Rooms @ 50% room occupancy	-	2,675	
Direct Employment in Tourism	3,000	5,000	
<b>C. High Growth</b>			
Total Tourism Receipts (US\$000's)	99,400	258,000	10.0
• Stay-over tourists US\$ (000's)	95,200	248,000	
• Excursionists US\$ (000's)	4,200	10,000	
- yacht visitors US\$ (000's)	1,500	3,600	
- cruise passengers US\$ (000's)	100	400	
- ferry/air excursionists US\$(000's)	2,600	6,000	
Tourist stay-over numbers	62,000	160,000	
Excursionist numbers	56,400	135,000	
- yacht visitor	20,000	50,000	
- cruise visitors*	1,400	5,000	
- ferry/air excursionists	35,000	80,000	
Bed-nights in paid serviced accommodation	368,000	1,125,000	
Rooms @ 40% room occupancy	1,621	4,300	
Rooms @ 50% room occupancy	-	3,450	
Direct Employment in Tourism	3,000	6,500	

\*excluding crew members



**Figure 2.1: Projected Growth in Room Accommodation (at 50% average annual room occupancy rate for sector)**



## 2.6 OPTIMUM TOURISM GROWTH PATH

The sustainability of the three scenarios are assessed in terms of their implications for:

- Growth in tourism numbers.
- Room accommodation requirements.
- Labour supply and immigration.
- Air and sea access infrastructure.
- Environmental management.
- Economic infrastructure of roads, water, power and other utilities.
- Social infrastructure of housing, medical and other services.
- Technical Support and Capital investment.

and their consistency with the Tourism Vision as outlined in section 2.3, previously.

Based on this assessment, the low growth tourism development Scenario A is not considered sufficiently ambitious as the growth rate does not match the current pace and scale of accommodation development. The high growth tourism development Scenario C is considered too ambitious as it would change the nature of the Anguillian tourism product from low to high density and in all likelihood result in significant dislocations of the economic and social fabric of the country. The medium growth tourism development Scenario B, although challenging, represents what is considered to be the maximum achievable on a sustained basis over the next decade, consistent with maintaining the integrity of the Tourism Vision.

## 2.7. TOURISM PRODUCT AND PROJECT DEVELOPMENT

The achievement of the optimum growth path will require the development of a number of projects, sites and attractions which have the potential for further enhancing the Anguillian tourism product. These are indicated on Table 2.2 and illustrated on Map 2.2. The economic infrastructure projects (A1...A4) and the visitor attractions projects (C1.....C5) are primarily public sector/community projects whereas the tourism facilities projects (B1.....B14) are planned private sector projects involving hotels, villas, condominiums, golf courses and marinas. However, it should be noted that a number of these are now on hold, either temporarily or indefinitely, because of changed market and funding circumstances.

**Table 2.2: List of Projects, Sites and Attractions**

Map Ref	Type of Project	Site Location	Components/ Status
<b>A: Economic Infrastructure</b>			
A1	Airport Development	The Valley	<ul style="list-style-type: none"> <li>• Upgrade of terminal facilities</li> <li>• Extension of runway</li> </ul>
A2	Ferry Port Development	Blowing Point	<ul style="list-style-type: none"> <li>• New terminal building with retail facilities</li> </ul>
A3	Enhanced yacht and cruise facilities	Road Bay	<ul style="list-style-type: none"> <li>• Additional moorings for yachts, including mega-yachts</li> <li>• Repair and extension of existing small jetty</li> <li>• Enhanced toilet and shower facilities</li> </ul>
A4	Downtown Area Redevelopment	The Valley	<ul style="list-style-type: none"> <li>• Vehicle free central plaza</li> <li>• Ceremonial and cultural plazas</li> <li>• Food halls, retail</li> </ul>
<b>B: Tourism Facilities</b>			
B1	Resort Redevelopment/expansion	Meads Bay	<ul style="list-style-type: none"> <li>• 75 rooms: Indefinitely on hold</li> </ul>
B2	New Resort Development	Meads Bay	<ul style="list-style-type: none"> <li>• 350 rooms: Temporarily on hold</li> </ul>
B3	Resort Expansion	Shoal Bay West	<ul style="list-style-type: none"> <li>• Indefinitely on hold</li> </ul>
B4	Resort Redevelopment/Expansion	Maunday's Bay	<ul style="list-style-type: none"> <li>• 255 rooms: Temporarily on hold</li> </ul>
B5	New Resort Development	Merrywing Bay	<ul style="list-style-type: none"> <li>• 750 rooms of which 525 in rental pool: Temporarily on hold</li> </ul>
B6	Resort Redevelopment/expansion	Rendezvous Bay	<ul style="list-style-type: none"> <li>• 450 rooms: Indefinitely on hold</li> </ul>
B7	Condo/Villa Development	Lockrum	<ul style="list-style-type: none"> <li>• 146 rooms: Under development</li> </ul>
B8	New Hotel Development	George Hill	<ul style="list-style-type: none"> <li>• 80 rooms: Nearing completion</li> </ul>
B9	New Resort Development	Conch Bay/Forest Bay	<ul style="list-style-type: none"> <li>• Up to 1,500 rooms: Under development</li> </ul>
B10	Resort Redevelopment/Expansion Condominiums	Shoal Bay East	<ul style="list-style-type: none"> <li>• Temporarily on hold</li> <li>• 24 rooms: Under development</li> </ul>
B11	New Resort Development	Shoal Bay East	<ul style="list-style-type: none"> <li>• 148 rooms: Under development</li> </ul>
B12	New Resort Development	Savannah Bay	<ul style="list-style-type: none"> <li>• Indefinitely on hold</li> </ul>
B13	New Resort Development	Scrub Island	<ul style="list-style-type: none"> <li>• Proposal stage</li> </ul>
B14	Yacht Marina and associated real estate/ retail development	Blowing Point	<ul style="list-style-type: none"> <li>• Yacht marina with about 125 'slips'</li> <li>• Facilities for provisioning</li> </ul>
<b>C: Visitor Attractions</b>			
C1	Cove Bay National Park	Cove Bay	<ul style="list-style-type: none"> <li>• Sand dune conservation</li> <li>• Public recreational facilities</li> </ul>
C2	Wallblake House Heritage Centre	The Valley	<ul style="list-style-type: none"> <li>• Further development as heritage home with period furniture, paintings, photographs, ethnographic displays, plantation history, etc</li> <li>• New national museum</li> <li>• Arts and crafts shops in relocated/restored chattel houses</li> <li>• Genealogy/family reunions research centre</li> </ul>
C3	Island Harbour Enhancement and Regeneration	Island Harbour	<ul style="list-style-type: none"> <li>• Waterfront enhancement/redevelopment</li> <li>• Marine Parks Information/Visitor Centre (also incorporating a Maritime Museum)</li> <li>• Further promotion of Festival del Mar and other events</li> </ul>
C4	Fountain Cavern	Shoal Bay East	<ul style="list-style-type: none"> <li>• Enhanced access and other visitor facilities (as part of management plan)</li> <li>• Visitor/interpretative centre</li> <li>• Arawak house</li> <li>• Retail/crafts</li> </ul>
C5	Old East End School	East End	<ul style="list-style-type: none"> <li>• Interpretative centre at restored Old School building</li> <li>• Upgrade pond for bird watching</li> </ul>

SUSTAINABLE TOURISM MASTER PLAN 2010 – 2020

Map 2.2: Identified Sites for Potential Product and Project Development



## 2.8 ACHIEVING SUSTAINABLE BENEFITS

The fundamental mechanism to achieve this wider objective of obtaining sustainable benefits for the people of Anguilla by generating additional economic activity, is by increasing tourism revenue. Without an increase in revenue there can be no growth in income; no improvement in employment; no addition to foreign exchange earnings or Government tax revenues; and no possibility of improving community benefits from tourism.

The process of securing these sustainable benefits from tourism revenue is shown on the following chart (Figure 2.2). To increase tourism revenue there must either be:

- More visitors.
- Increased per capita spending by visitors.
- Longer stays.
- Or some combination of the above.

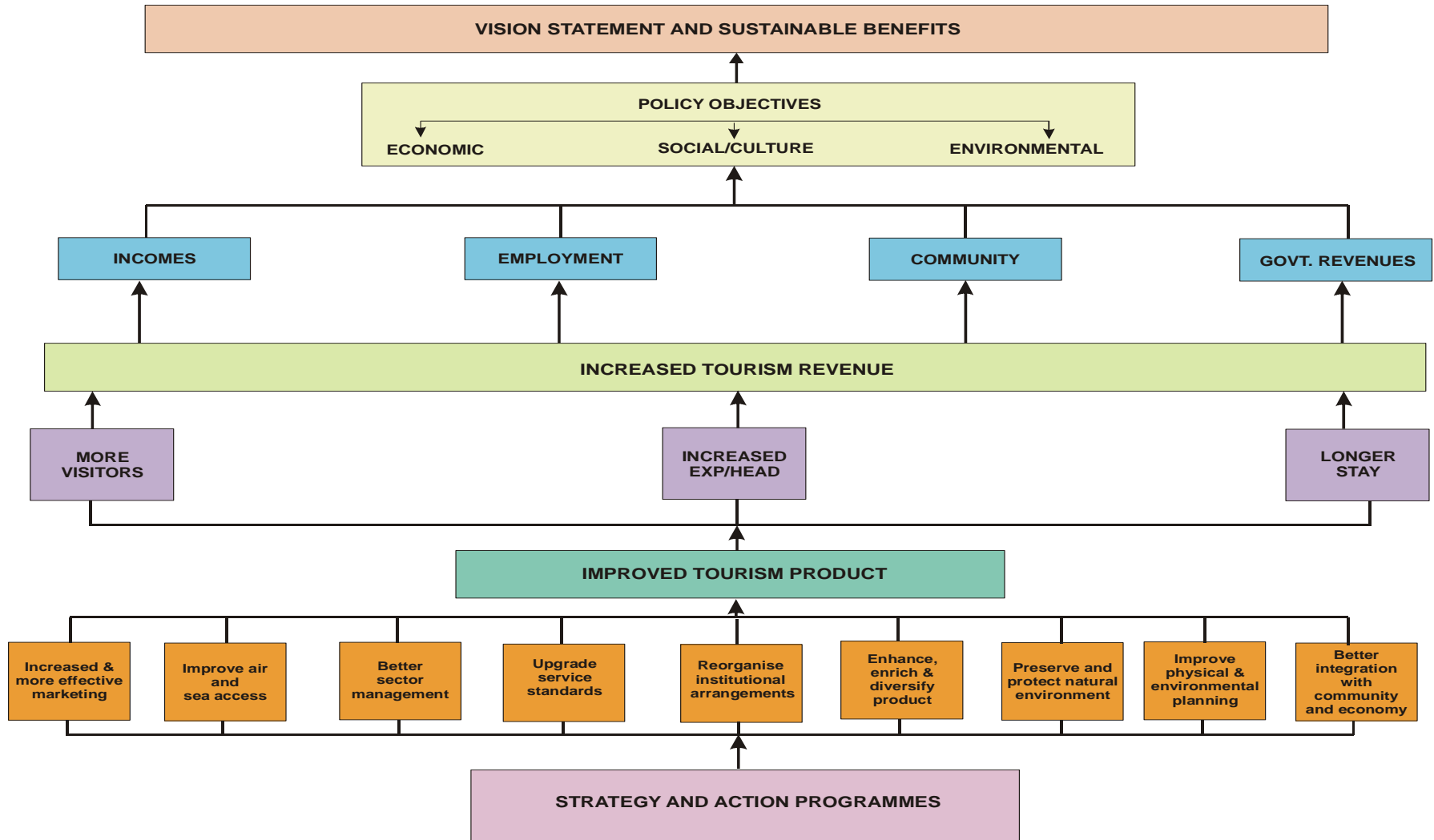
## 2.9 ACTION PROGRAMMES TO ENSURE SUSTAINABILITY

To get more visitors, persuade them to stay longer and spend more money requires the implementation of nine strategic **action programmes** to deal with the issues confronting Anguilla's tourism sector, viz:

- Increased and more effective marketing
  - better planning
  - driven by market research
  - better use of information technology
  - responsive to emerging trends.
- Improve air and sea access
  - improved airport and seaport terminal facilities
  - proactive air and sea services development programme
  - streamlined and friendly immigration and customs procedures.

- Better sector management
  - improved regulatory environment
  - more control over pace and scale of developments
  - better statistical database
  - registration and licensing of tourism enterprises
  - better accountability
  - revise and finalise draft tourism policy document.
- Upgrade service standards
  - skills development programme for craft, supervisory and front line staff
  - capacity building for hospitality training institutes.
- Enhance, enrich and diversify the product
  - quality assurance through standards and certification
  - integrate cultural heritage
  - road signage improvements
  - downtown area redevelopment.
- Reorganise institutional arrangements
  - establish Ministry of Tourism, Transport & Heritage
  - STMP project management unit within Ministry
  - refocus Anguilla Tourist Board
  - establish Environmental Management Agency.
- Improve physical and environmental planning
  - establish Tourism Development Areas
  - formulate management plans
  - strengthen Dept. of Physical Planning
  - physical master plan for Island.
- Preserve and protect the natural environment
  - coastal management zone
  - framework to encourage sound environmental practices
  - 'greening' of hotels.
- Better integration with the community and economy
  - improve linkages with other sectors of economy
  - improve tourism and environmental awareness.

Figure 2.2: Achieving Sustainable Benefits



## 2.10 ORGANISATION AND CHANGE MANAGEMENT TO EFFECT IMPLEMENTATION

An issue of concern to tourism planners is how to sequence the recommended action programmes. Should the tourism product be expanded and standards improved prior to, or after, the establishment of a marketing campaign? Should capacity building and human resource development precede product development and marketing? The greatest consensus appears to be to do all at once. This is not a simplistic as it appears at first sight. Because all the action programmes are so interlinked, trying to identify the best sequence is not a realistic approach. No single measure can bring much benefit without at least some progress in respect of other actions. In this sense, it is more instructive to view the development of the tourism sector as a process rather than as a sequence of activities.

Nonetheless, the immediate imperative is to increase room occupancy rates in the industry. Currently, average annual room occupancy rates are about 35% - too low for the industry to be financially viable and too low to attract new investment.

In this context, it is possible to identify where emphasis should be placed at the outset, viz:

- Refocused and reorganised Anguilla Tourist Board.
- Capacity building for the ATB in marketing management, internet marketing and analytical market research through technical assistance.
- Increased and more effective destination marketing.
- Setting up a STMP Steering Committee and Project Management Unit (PMU) for effective implementation of the recommended action plans.

### *Refocused ATB and More Effective Destination Marketing*

The remit of the ATB must be more focused and the organisation restructured accordingly. The ATB's management of marketing operations and activities must be made more effective.

Increased resources must be allocated to destination marketing as a priority to generate increased stay-over tourist arrivals.

### *Setting Up STMP Steering Committee and PMU*

The development of Anguilla's tourism will not simply happen. It has to be stimulated and directed, and the activities of the various tourism and tourism-related organisations coordinated.

In order to ensure that the implementation process is conducted in a coordinated and timely manner, and to ensure that key actions actually are implemented, it is recommended that a special purpose body be created – **the STMP Steering Committee**. This should be a high-level body working to a tight terms of reference and within a defined life span with the overall goal of monitoring, promoting and energising the implementation process.

Recognising that the members of the Steering Committee will be senior officers/representatives having other responsibilities, the setting up of an **STMP Project Management Unit** with responsibility to initiate, guide and coordinate STMP implementation is recommended.

## 2.11 SOCIO-ECONOMIC IMPACTS

Doubling tourism will bring important benefits, both economic and social. With strong linkages with other sectors, the economy will expand generating employment and tax revenues for Government. Tourism's significance to the economy will increase from 56% of GDP in 2010 to some 64% by 2020. The number of jobs directly and indirectly dependent on tourism will increase from 4,500 to 7,500 by 2020 representing 60% of total employment.

## **PART I THE CHALLENGE**



### 3. ANGUILLA TOURISM TODAY

#### 3.1 RECENT TRENDS

Anguilla is 16 miles long and 3.5 miles wide and has a population of about 15,500 residents. However, what Anguilla lacks in size, it more than makes up for in that much sought Caribbean asset - pristine powdery beaches. Boasting 12 miles of white coral coastline, Anguilla's calm and turquoise waters are major attractions. With top quality hotel villa resorts and restaurants, coupled with a safe environment and friendly people, Anguilla is one of the foremost exclusive vacation destinations in the Caribbean.

Because Anguilla has few other natural resources, the economy is heavily dependent on luxury tourism and financial services. Increased activity in the tourism industry in the middle years of the last decade spurred the growth of the construction sector contributing to economic growth. This was reflected in rising levels of foreign direct investment (US\$235m in 2007), which were funnelled towards tourism, land sales and real estate developments. In turn this led to an overheating of the Anguillian economy, resulting in labour shortages, rising wage inflation.

However, the onset of the global economic and financial crisis and its impact on international travel resulted in a sharp drop in tourism demand for Anguilla, in common with the rest of the Caribbean. Foreign direct investment dried-up, with the result that there are a number of unfinished hotel and villa developments on Anguilla.

The sharp drop in tourism demand coupled with the drying-up of foreign investment had adverse knock-on effects on the economy, resulting in rising unemployment, deterioration in the public finances and falling living standards for all, as measured by per capita GDP.

**Table 3.1: Tourist Facilities and Services, 2010**

Category	Number of Properties	Rental Units	Number of Rooms		
			Hotel	Villa	Total
Hotel/Villa Resorts					
- more than 50 rooms	4	333	360	236	596
- less than 50 rooms	18	280	355	-	355
Villa Resorts*	7	43	-	187	187
Independent Villas**	105	105	-	419	419
Condominium/Holiday Suites	6	24	-	-	64
<b>TOTAL</b>	<b>140</b>	<b>785</b>	<b>715</b>	<b>842</b>	<b>1,621</b>
Restaurants	93				
Taxi Services	60				
Ground Tour Operators	4				
Dive Operators	4				

\*resorts with 3 or more villas \*\* excludes villas within hotel resorts and villas not registered with ATB **Source:** ATB and Consultant's estimates

**Table 3.2: Visitor Numbers to Anguilla 2001 – 2010**

Category	2001	2005	2007	2008	2009	2010
	Nos	Nos	Nos	Nos	Nos	Nos
Tourists	52,000	66,000	77,600	68,300	57,900	62,000
Excursionists	53,000	77,100	86,400	59,600	54,200	56,400

**Source:** Dept. of Statistics Anguilla

**Table 3.3: GDP per Capita (EC\$) at Constant 2010 Prices**

Year	2000	2001	2003	2005	2008	2009	2010*
GDP Current (EC\$M)	404.5	421.3	459.3	619.4	949.2	770.0	730.0
*GDP Constant (EC\$M)	572.4	582.7	612.5	756.2	900.0	780.0	730.0
Pop (000's)	11.2	11.5	12.3	13.1	14.5	15.0	15.5
GDP/pc (EC\$000's)	51.1	50.7	49.8	57.7	62.0	52.0	47.1

**Source:** Dept. of Statistics Anguilla; \*Consultant's estimates

### 3.2 STRENGTHS AND WEAKNESSES OF THE TOURISM PRODUCT

The challenge is the revitalisation and sustainable expansion of Anguilla's tourism sector. Although Anguilla has the capacity (in terms of natural, human and capital resources) to achieve this, there are significant threats to the sustainability of the tourism product. Based on the audit of the tourism product as outlined in the Interim Report, the competitive strengths and weaknesses of the Anguillian tourism product are summarized in respect of:

- Sector management.
- Environmental Management.
- Human resources and community development.
- Quality of Infrastructure.
- Tourism product.
- Marketing and access transport.

#### **Sector Management**

- Strengths and Opportunities
  - highly skilled and experienced cadre of ministry officials
  - many of necessary laws and regulations in place
- Weakness and Threats
  - poor management of pace, scale and type of accommodation development
  - weak regulatory environment
  - no classification/standards systems
  - inadequate use of research information
  - tourism development supply rather than demand led
  - poor accountability

#### **Environmental Management**

- Strengths and Opportunities
  - beautiful beaches
  - good year round climate
  - pristine environment
  - distinctive patrimony
- Weakness and Threats
  - beach erosion
  - reef degradation
  - fly-tipping
  - poor planning
  - lack of environmental awareness

#### **Human Resources and Community Development**

- Strengths and Opportunities
  - friendly welcoming people
  - closely knit and resilient community
  - good educational and training institutes
- Weakness and Threats
  - shortage of trained personnel
  - capacity of training institutions inadequate to meet present and future needs

**Quality of Infrastructure**

- Strengths and Opportunities
  - simple road network in reasonable condition
  - good airport
  - safe havens and moorings for yachts
- Weakness and Threats
  - inadequate seaport infrastructure
  - airport runway too short for future needs
  - airport terminal in poor condition
  - no yacht marina

**Marketing and Access Transport**

- Strengths and Opportunities
  - up market appeal
  - flexible sea access
  - nearby large excursionist market - SXM
- Weakness and Threats
  - inadequate funding for destination marketing
  - inadequate use of internet for marketing
  - poor air access

**Tourism Product**

- Strengths and Opportunities
  - a number of 5\* 'flagship' properties
  - good cuisine
  - adequate physical space for expansion
  - potential of heritage product
- Weakness and Threats
  - low occupancy rates
  - some properties need upgrading
  - little control over scale of developments
  - unfinished properties
  - potential oversupply of accommodation
  - losing competitiveness

### 3.3 MAJOR ISSUES FACING ANGUILLA TOURISM

The findings of the Interim Report indicated the four major issues confronting the tourism sector to be:

- Loss of competitiveness.
- Potential over-supply of accommodation.
- Poor sector management,
- Environmental degradation - beach deterioration/erosion.

Together, all four combine to threaten the sustainability of the Anguillian tourism product going forward.

#### 3.3.1 Loss of Competitiveness

The Anguillian tourism product's loss of competitiveness is illustrated by:

- Loss of market share in main source market.
- Inconvenient access.
- Low room occupancy rates in hotels/villas.
- High relative prices.
- High proportion of 'repeat' visits.

#### **Loss of Market Share in US Market**

Based on the findings of our market survey among tour operators, travel agents and market/hotel representatives in the US market, Anguilla is seen as being primarily in competition with St. Barts and Turks & Caicos.

The estimated number of US stay-over arrivals recorded by Caribbean countries in 2010 was just over 9.8 million – an increase of just under 7% compared with the corresponding figures for 2009. During the previous 4 years US travel to the Caribbean was not particularly buoyant – increasing by 4% between 2006 and 2008 and falling back to the 2006 level in 2009. However, it should be noted that this rebound of 7% growth in US travel to the Caribbean is due to double digit growth to St. Lucia, Cancun, Barbados and 5%+ growth to Bahamas, Puerto Rico, Jamaica and the Dominican Republic.

**Table 3.4: Anguilla's Share of Primary Competitive Set in US Market**

Competitor Group	Stay-over Arrivals and Share (%)				
	2006	2007	2008	2009	2010**
Anguilla (Market Share)	44,500 (19.0%)	46,000 (18.0%)	40,200 (15.8%)	34,100 (15.1%)	38,900 (16.5%)
St. Barts**	21,000	23,000	24,000	21,000	23,000
Turks & Caicos**	170,000	182,000	190,000	171,000	173,000
Competitor Group Total** and Share	235,000 (2.6%)	251,000 (2.6%)	254,200 (2.6%)	226,100 (2.5%)	234,900 (2.4%)
<b>Total US Tourist to Caribbean**</b>	<b>9,222,000</b>	<b>9,534,000</b>	<b>9,611,000</b>	<b>9,228,000</b>	<b>9,854,000</b>

Source: CTO \*\*Consultant's estimates

As shown on Table 3.4, Anguilla's competitor group attracts about 2.5% of all US stay-over arrivals to the Caribbean Basin Area which, allowing for the inherent imprecision of the statistics, suggests that the competitor group is maintaining its competitive position.

- However, within the group, the data indicate that Anguilla is losing competitiveness since its market share has declined from about 19% in 2006 to 16.5% in 2010.

### Inconvenient Access and High Relative Prices

Inconvenient access and high relative prices are seen as major weaknesses in the various markets, according to the findings from the market survey we conducted among tour operators, travel agents, market & hotel representatives and other travel organizers in the main source markets, as illustrated on Table 3.5.

**Table 3.5: Responses to ‘What are Anguilla’s major weaknesses as perceived by the Market’?**

Responses	US		Can		UK		Ger	
	% TO	% REP	% TO	% REP	% TO	% REP	% TO	% REP
Poor access, limited/lack of airlift, inconvenient to get there	40	✓	90	✓	75	✓	60	✓
Too expensive	40	✓	20	✓	25	✓	40	✓
Not a lot/enough to do	25	✓	20		10			
Lack of awareness of island	15				10			
No shopping	10							
No inclusive product		✓		✓				

*Note: Multiple response question TO= tour operators, travel agents REP = market/hotel representatives*

### High Proportion of Repeat Visits

Another indicator of competitiveness is the extent to which stay-over arrivals are on their first visit. Generally speaking, repeat visitors usually represent about 25% of stay-over arrivals to a vacation destination. For example, in the Turks & Caicos, 23% of stay-over arrivals are repeat visitors.

However, unique among Caribbean destinations, the majority of stay-over arrivals to Anguilla are repeat visitors.

**Table 3.6: Previous Visit by Country of Residence, 2010**

	FIRST TIME	REPEAT	TOTAL
	%	%	%
United States of America	42.0	58.0	100.0
Canada	41.5	58.5	100.0
Europe	48.0	52.0	100.0
Caribbean	28.5	71.5	100.0
Rest of the World	41.5	58.5	100.0
<b>TOTAL*</b>	<b>40.0</b>	<b>60.0</b>	<b>100.0</b>

*Source: Anguilla Statistics Department, VES 2010 \*weighted average*

On one hand having a high proportion of repeat visitors is good as it reflects a significant ‘loyal’ core segment in the various markets. However, too high a proportion of repeat visitors (as in the case of Anguilla) suggests that the destination is not appealing to ‘new’ prospective tourists and in this context is not as competitive as other destinations.

### Low Occupancy Rates

Historically, average room occupancy rates have been low on Anguilla. In 2006/7, average annual room occupancy rates in hotels was 43%. Today, as shown on Table 3.7, the situation is only marginally better.

**Table 3.7: Estimated Average Annual Room Occupancy Rates, 2010**

Category	No of Rooms	Room Occupancy %	Room Nights	Bed Nights
Hotel/villa resort	596	48	104,600	188,300
Small hotels	355	37	47,500	85,500
Villa resorts (3 + villas)	187	25	17,100	30,700
Independent villas	419	20	30,600	55,000
Appt/condo suites	64	20	4,700	8,500
Villa/condo resorts	0	-	-	-
<b>TOTAL</b>	<b>1,621</b>	<b>35</b>	<b>204,500</b>	<b>368,000</b>

SUSTAINABLE TOURISM MASTER PLAN 2010 – 2020

Based on the VES Jan 2010 Survey, we estimate that some 368,000 bed-nights were sold in 'paid serviced' accommodation in 2010, which translates to an overall average room occupancy rate of 35% for the accommodation sector as a whole. Within the sector, occupancy rates differ significantly between hotel/villa resorts and independent villas and apartments/condominiums. Anecdotal evidence suggests the average for the larger properties is about 48% (with some hotel/villa resorts achieving higher room occupancy rates) with the smaller hotels and villa resorts having average room occupancy rates in the 25 to 37%.

However, the low room occupancy rate for villas must be seen in the context that that typically, villas have two to three bedrooms and are rented by a couple. Consequently, whereas the average annual room occupancy rate for the villa may be low, the rental income from the villa may be reasonable.

According to the GEGR Report\*, 'possible reasons for such relatively low occupancy rates are: a) the high incidence of seasonality with tourist arrivals, concentrated between the winter months of December and April; b) the under-utilization of the small hotels, cottages, guesthouses, villas and apartments; c) the relative high cost of the destination and high-priced tourist accommodation making it unattractive to the average tourist but allowing the more upscale hotels to meet their profitability targets with lower occupancy rates; d) under reporting and poor record-keeping in the various tourism accommodation establishments; and e) the mushrooming of unregistered tourism accommodation establishments such as private apartments, cottages and villas'.

\*Economic and Social Impact Analysis of Selected Tourism Projects, GEGR Consultants, 2008

### 3.3.2 Potential Over Supply of Accommodation

Despite the global economic downturn and uncertainty, there is still strong interest by developers in resort development on Anguilla as outlined on Table 3.9 which outlines the indicative status of government approved projects.

On the assumptions that construction is staggered fairly evenly over the next ten years, the indicative pace of development is shown on Table 3.8.

**Table 3.8: Projected Room Construction 2011 – 2020**

Category/Year	Rooms			
	2010	Under construction/in pipeline		TOTAL
	2010	2011/2015	2016/2020	2020
Hotel/villa resorts	596	519	217	1,332
Small hotels	355	0	0	355
Villa resorts (3+ villas)	187	0	0	187
Independent villas	419	0	0	419
Appt/condo suites	64	98	74	236
Villa/condo resorts	0	73	73	146
<b>TOTAL</b>	<b>1,621</b>	<b>690</b>	<b>364</b>	<b>2,675</b>

Over the 10 year period to 2020, the accommodation stock is projected to expand from 1,621 rooms in 2010 to 2,675 rooms by 2020, representing an increase of 65% overall. While this absolute increase in rooms (1,054) over a decade is not large, it nonetheless requires that bed-night demand in paid serviced accommodation increases by over 5% annually just to maintain the currently relatively low (about 35%) average overall annual room occupancy in the sector. Failure to achieve this annual rate of growth consistently over the next ten years will result in an oversupply of accommodation

The issue is that the development of Anguilla tourism is (and has been) supply led in that it is developer projects which are determining the nature and scale of Anguilla tourism rather than government and the citizenry vision of the tourism industry.

**Table 3.9: Indicative Status of Approved Developments**

<p><b>Under Construction</b></p> <ul style="list-style-type: none"> <li>• <b>Royale Caribbean</b> (80 rooms): building is ongoing with a proposed full opening in November 2011; this development will target the conference market.</li> <li>• <b>Fountain Condominiums:</b> 24 rooms in 12 two bedroom condos (now partially open).</li> </ul> <p><b>In Pipeline</b></p> <ul style="list-style-type: none"> <li>• <b>Solaire (Lockrum Estates):</b> a luxury 'green' development comprising a combination of 24 villas (96 rooms) and 20 condominium units (50 rooms) making a total of 146 rooms. The entire project is expected to be completed within 4-7 years, commencing 2011.</li> <li>• <b>Zemi Beach Resort &amp; Residences (formerly La Fontana):</b> 75 condominium units providing 148 bedrooms to be constructed in phases, starting 2011.</li> <li>• <b>Conch Bay Resort:</b> expected to commence construction in 2012. In all there will be 100 estate lots for villas, a 240-room hotel (140 keys) and 89 condominium clusters. Initial development will focus on the hotel (which is expected to be managed by Jumeirah Resorts), the golf course plus the 20 Founders packages (each comprising a prime estate lot; a 1, 2 or 3 bedroom condo and life membership of the golf course). The working assumption is that approximately 30 villas (with 90 rooms) and 30 condominium units (60 rooms) will be completed by 2020.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Flag/Temenos:</b> the construction of a 114-room hotel is expected to commence in 2012; further development is currently under review following purchase of the property by the owner of CuisinArt, but it is likely that priority will be given to completing presently-unfinished villas. The working assumption is that approximately 50 villas (with 150 rooms) will be completed by 2020 in addition to the hotel.</li> </ul> <p><b>Stalled/Temporarily on Hold pending financing, etc</b></p> <ul style="list-style-type: none"> <li>• <b>Flag/Temenos:</b> allowing for the hotel and 150 rooms in the 50 villas that are assumed to be completed by 2020, the remaining part of the original project (750 rooms in hotel, of which 525 in rental pool) is reduced to 261 rooms, and are likely to be further modified/scaled down under the new ownership.</li> <li>• <b>Conch Bay:</b> allowing for the 240-room hotel and 150 rooms in the villa/condominium units that are assumed to be completed by 2020, the remaining part of the now scaled down project comprises a total of 328 villa/condo rooms.</li> <li>• <b>Meads Bay Project</b> (350 rooms, of which 265 in rental pool).</li> <li>• <b>Cap Juluca:</b> further development is 'temporarily on hold'. The original plan provided for a total of 350 rooms - which 215 were to be in the rental pool). Of the latter, 95 have been constructed, leaving a balance to be built of 120 rooms.</li> <li>• <b>Madeariman Redevelopment and Expansion Project</b> (100 rooms, of which 75 in rental pool).</li> </ul>
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**Approved but now Unlikely to materialize/Indefinitely on hold**

- **Altamer Expansion Project:** 370 rooms, of which 275 in rental pool plus yacht marina.
- **Frangipani Redevelopment and Expansion Project** (75 rooms, of which 75 in rental pool).
- **Rendezvous Bay Redevelopment and Expansion Project:** 450 rooms, of which 315 in rental pool.
- **Savannah Bay/Sile Bay Project:** (825 rooms, of which 620 in rental pool).

**3.3.4 Poor Sector Management**

As outlined in the Interim Report, poor sector management is a feature of the sector, particularly in respect of:

- Development of tourism sector is supply rather than demand led.
- Lack of enforcement of existing regulations.
- Deficiencies in current physical planning legislation.
- Weakness in institutional arrangements
  - lack of clarity concerning role, division of responsibilities, reporting between Ministry (FEDICT) and Anguilla Tourist Board
  - Anguilla Tourist Board poorly organised and not sufficiently pro-active.

\*Dept. of Fisheries and Marine Resources

- HRD facilities lack capacity
  - can't meet industry requirements for training.
- Service standards slipping
  - visitor dissatisfaction levels increasing.
- Destination marketing strategy and planning inadequate.
- Poor accountability within ATB
  - no specifications of targets, no performance review etc.

**3.3.5 Environmental Degradation - Beach Erosion**

The threat to Anguilla's beaches posed by reef and sand dune erosion is highlighted in a recent report – *Status of Anguilla's Marine Resources 2010*.\*

The report's main conclusion is that if this situation does not change, it is probable that Anguilla's shallow reef areas will erode away over coming decades, reducing their potential to support healthy fish populations. This in turn will negatively impact on fishing livelihoods, as well as the dive product. Further, as the reefs erode, the status of the beaches will also change, which may ultimately lead to their loss or overall general deterioration. The major implication is that the main resource that makes Anguilla attractive to tourists is under serious threat.

## 4. GROWTH OBJECTIVES FOR TOURISM

### 4.1 NATIONAL ECONOMIC CHALLENGE

Anguilla's open economy is extremely vulnerable to changes in the external economic environment. This is reflected in the current difficult economic and fiscal situation. Not only has GDP sharply contracted, but the recurrent budget deficit has significantly widened (reflecting the steep fall in revenue but not expenditure). In an attempt to address the deterioration in the public finances, capital expenditure has been curtailed, falling to an estimated EC \$8.5 million in 2010. This affects proposed tourism-related capital projects, such as the implementation of the Master Plan for Blowing Point.

The 2011 budget provides for new sources of tax revenue (derived mainly from domestic sources) which would help to reduce – but not totally eliminate – the current account deficit. The UK Government is pressing for further staffing and salary cuts in the civil service and a commitment on further tax measures for 2012.

Going forward, the Government of Anguilla (GOA) faces three major challenges, viz how to:

- Increase standards of living for all Anguillian citizens.
- Increase job opportunities and reduce unemployment, and
- Stabilize and improve the public finances.

In order to revive the economy, the GOA is looking mainly to the tourism sector - both by generating higher levels of business in existing enterprises and by implementing new capital projects (which would benefit the depressed construction sector).

### 4.2 GROWTH SCENARIOS FOR ECONOMY

#### 4.2.1 Increase Standards of Living

Using GDP per head as an indicator of living standards, the citizenry of Anguilla experienced rising standings of living until 2007/8. However, since then living standards have declined to just below 2005 levels.

**Table 4.1: GDP per Capita (EC\$) at Constant 2010 Prices**

Year	2000	2001	2003	2005	2008	2009*	2010*
GDP Current (EC\$M)	404.5	421.3	459.3	619.4	949.2	770.0	730.0*
*GDP Constant (EC\$M)	572.4	582.7	612.5	756.2	900.0	780.0	730.0
Pop (000's)	11.2	11.5	12.3	13.1	14.5	15.0	15.5
GDP/pc (EC\$000's)	51.1	50.7	49.8	57.7	62.0	52.0	47.0

*Source: Dept. of Statistics Anguilla; \*Consultant's estimates*

Going forward, three possible scenarios are:

- **Scenario A:** maintain living standards at current standards.
- **Scenario B:** restore living standards to 2008 levels.
- **Scenario C:** increase living standards by the average yearly growth rate (4.5%) achieved during the period 2003/2008.

The implications for GDP growth are shown on Table 4.2. Under Scenario A, the economy must expand by 2% yearly over the next decade; under Scenario B, national output must expand by about 5% yearly between now and 2020 and under Scenario C, by 7% yearly.

Table 4.2: Population and GDP Growth Targets

Scenario	2010	2020	Avg Yearly Growth Rate %
<b>A.</b>			
Population (000's)	15,500	19,000	2.0
GDP per capita (EC\$)*	47,000	47,000	-
GDP EC\$ (000's)*	730,000	890,000	2.0
<b>B.</b>			
Population (000's)	15,500	19,250	2.2
GDP per capita (EC\$)*	47,000	62,000	2.8
GDP EC\$ (000's)*	730,000	1,190,000	5.0
<b>C.</b>			
Population (000's)	15,500	19,850	2.5
GDP per capita (EC\$)*	47,000	72,500	4.5
GDP EC\$ (000's)*	730,000	1,440,000	7.0

\*at constant 2010 prices

Although these are challenging growth rates for the economy in the present global economic climate, it should be noted that these growth rates were exceeded during the 6 year period 2002 – 2008, when the economy expanded by about 9% yearly. However, the lesson learnt from that period was that for Anguilla's small open economy such a high growth rate is not only unsustainable, but is also likely to cause severe dislocations within the economy.

#### 4.2.2 Employment Opportunities

There is clearly a positive correlation between the growth in output of the economy and employment. However, as shown on Table 4.3, the relationship is not necessarily 1:1 and there can be time lags between the expansion of the economy and the increase in employment numbers and vice versa.

Table 4.3: GDP (EC\$ 000's) and Employment

Year	2005	2008	2009*	2010
GDP/EC\$*	756,200	900,000	780,000	730,000
Employment	7,794	10,892	9,517	7,286
GDP/Employee	96.9	82.6	82.0	100.0

Source: Anguilla Social Security Board, ASD and Consultant's estimates \*constant 2010 prices

Productivity levels, in terms of GDP per employee averaged just over EC\$90,000 at 2010 prices during the 6 year period 2005 – 2010. The spike in 2010 is due to the shedding of nearly 1,300 jobs in the construction sector. The implication is that when the economy begins to expand again, employment creation will pick up.

#### 4.2.3 Fiscal Stabilization and Improvement in Public Finances

National Accounts data clearly demonstrates that economic growth effects fiscal stabilization and an improvement in public finances.

Table 4.4: GDP (EC\$) and Public Finances

Year	2000	2001	2003	2005	2007	2008	2009*	2010*
Nominal GDP EC\$ (000's)	404.5	421.3	459.3	619.4	960.9	949.2	770.0	730.0
Govt. Recur Rev (EC\$000's)	72.4	73.2	88.6	125.6	207.2	205.7	155.8	150.0
Govt. Recur Exp (EC\$000's)	70.4	74.2	85.6	106.1	171.0	208.5	204.2	200.0
Recur Balance (EC\$000's)	2.0	(1.0)	3.0	19.5	36.2	(2.8)	(48.4)	(50.0)
<b>Recur Bal as % of GDP</b>	<b>0.5%</b>	<b>(0.2%)</b>	<b>0.6%</b>	<b>3.1%</b>	<b>3.8%</b>	<b>(0.3%)</b>	<b>(6.3%)</b>	<b>(6.8%)</b>

Source: ASD National Accounts Statistics, 2009 \*Consultant's estimates

### 4.3 TOURISM AND ECONOMIC GROWTH

In considering where the best opportunities for economic growth lie, the leading candidates are the tourism and the financial intermediation sectors. Both sectors have been the primary drivers of the economic growth in Anguilla. The analysis of the CTO study\* found that the value added generated per unit of visitor expenditure is the equivalent of 51% GDP (1998 figure).

Looking ahead, it is difficult to envisage significant medium-term growth in the principal traded sectors of Anguilla's economy other than tourism and financial services.

#### 4.3.1 Growth Scenario A

Under Scenario A, the target growth rate for the economy is 2% yearly over the next decade. Taking into account that economic growth is unlikely to resume until early 2013, this implies a growth rate of 2.8% yearly between 2012 and 2020.

**Table 4.5: Projected Sectoral Structure of Economy 2010 – 2020; GDP at Constant 2010 prices, EC\$M**

Sector/Econ Activities	2010	2015	2020
Agriculture & fishing	15.0	17.0	19.0
Manufacturing/ mining	25.0	28.0	30.0
Construction	60.0	65.0	80.0
Hotels & restaurants	100.0	120.0	160.0
Wholesale & retail	60.0	60.0	65.0
Transport, & communication	60.0	65.0	70.0
Financial intermediation	85.0	90.0	105.0
Real estate & Business	80.0	85.0	90.0
Public admin	113.0	110.0	115.0
Utilities	33.0	35.0	40.0
Other private services	24.0	25.0	26.0
<b>TOTAL GVA</b>	<b>655.0</b>	<b>700.0</b>	<b>800.0</b>
<b>Adjustments*</b>	<b>75.0</b>	<b>75.0</b>	<b>90.0</b>
<b>TOTAL GDP</b>	<b>730.0</b>	<b>775.0</b>	<b>890.0</b>

*Consultant's projections \*FISIM, Taxes, Subsidies*

In the absence of input-output tables for the economy, a practical approach has been undertaken in determining the sectoral breakdown. Growth of the financial services sector is likely to be lower than what has been recorded in the last decade, mainly due to a changed international regulatory environment. Little exogenous or independent growth can be anticipated from the other sectors of the economy. Arising from these assumptions, the hotel/restaurants sector (as a proxy for the tourism sector as a whole) has to increase by an average of about 5.0% yearly over the 10 year period to 2020.

\*Regional Tourism Economic Impact Analysis Project – Anguilla  
Impact of 1998 Tourist Expenditure Country Report, CTO 2001

#### 4.3.2 Growth Scenario B

Under Scenario B, the target growth rate for the economy is 5% yearly over the next decade. Taking into account that economic growth is unlikely to resume until early 2013, this implies a growth rate of just under 7% yearly between 2012 and 2020.

**Table 4.6: Projected Sectoral Structure of Economy 2010 – 2020; GDP at Constant 2010 prices, EC\$M**

Sector/Econ Activities	2010	2015	2020
Agriculture & fishing	15.0	17.0	20.0
Manufacturing/ mining	25.0	28.0	40.0
Construction	60.0	65.0	105.0
Hotels & restaurants	100.0	135.0	205.0
Wholesale & retail	60.0	70.0	90.0
Transport, & communication	60.0	70.0	95.0
Financial intermediation	85.0	105.0	145.0
Real estate & Business	80.0	105.0	140.0
Public admin	113.0	110.0	120.0
Utilities	33.0	36.0	55.0
Other private services	24.0	26.0	40.0
<b>TOTAL GVA</b>	<b>655.0</b>	<b>767.0</b>	<b>1,055.0</b>
<b>Adjustments*</b>	<b>75.0</b>	<b>83.0</b>	<b>135.0</b>
<b>TOTAL GDP</b>	<b>730.0</b>	<b>850.0</b>	<b>1,190.0</b>

*Consultant's projections \*FISIM, Taxes, Subsidies*

Based on a similar set of assumptions concerning the growth prospects for the different sectors of Anguilla's economy as outlined in Section 4.3.1 earlier, the implication is that the tourism sector must expand by about 7.5% yearly.

#### 4.3.3 Growth Scenario C

Under Scenario C, the target growth rate for the economy is 7% yearly over the next decade. Taking into account that economic growth is unlikely to resume until early 2013, this implies a growth rate of about 9% yearly between 2012 and 2020.

**Table 4.7: Projected Sectoral Structure of Economy 2010 – 2020; GDP at Constant 2010 prices, EC\$M**

Sector/Econ Activities	2010	2015	2020
Agriculture & fishing	15.0	20.0	25.0
Manufacturing/ mining	25.0	30.0	55.0
Construction	60.0	65.0	160.0
Hotels & restaurants	100.0	160.0	260.0
Wholesale & retail	60.0	75.0	100.0
Transport, & communication	60.0	80.0	110.0
Financial intermediation	85.0	115.0	170.0
Real estate & Business	80.0	110.0	160.0
Public admin	113.0	110.0	130.0
Utilities	33.0	40.0	60.0
Other private services	24.0	30.0	50.0
<b>TOTAL</b>	<b>655.0</b>	<b>835.0</b>	<b>1,280.0</b>
<b>Adjustments*</b>	<b>75.0</b>	<b>100.0</b>	<b>160.0</b>
<b>TOTAL GDP</b>	<b>730.0</b>	<b>935.0</b>	<b>1,440.0</b>

*Consultant's projections \*FISIM, Taxes, Subsidies75.0*

Based on a similar set of assumptions concerning the growth prospects for the different sectors of Anguilla's economy as outlined in Section 4.3.1 earlier, the implication is that the tourism sector must increase by about 10% yearly.

## 5. TOURISM DEVELOPMENT SCENARIOS

Targeted to maintain and increase living standards for all Anguillians, three national economic growth scenarios were outlined in Chapter 4. Based on these economic growth scenarios, three corresponding tourism development scenarios have been developed, summarised on Table 5.1.

The first scenario – A, is the **low** growth scenario consistent with maintaining present standards of living (in real terms) for Anguillian citizens.

The second scenario – B, is the **medium** growth scenario and represents what is considered to be the maximum achievable on a sustained basis over the next decade.

The third scenario – C, is the **high** growth scenario and represents the minimum that would have to be achieved in order to support the very expansive pace of development in tourism as indicated by the projects currently under construction, in the pipeline and indefinitely on-hold.

The following assumptions underpin the tourism growth scenarios:

- Tourist/stay-over arrivals spend held at an average of US\$1,550 per person in terms of constant 2010 prices.
- 'Bed-nights' refers to bed-nights in paid serviced accommodation, which represents 77% of all visitor bed-nights for Scenario A, 84% for Scenario B and 87% for Scenario C as most of the projected growth in demand will be for paid serviced accommodation.
- Room occupancy rates are based on an average of 1.8 sleepers per room.
- Average length of stay is 8 nights.

In the following sections, each of the three growth scenarios are considered in terms of their implications for:

- Growth in tourist numbers.
- Room accommodation requirements.
- Labour supply and immigration.
- Air and sea access infrastructure.
- Environmental management.
- Economic infrastructure of roads, water, power and other utilities.
- Social infrastructure of housing, medical and other services.
- Technical Support and Capital investment.
- Consistency with the Tourism Vision as outlined in Section 2.3.

In the elaboration of the implications of the growth scenarios there is an unavoidable element of repetition, particularly in respect of the implications for environmental management, and economic and social infrastructure. This is because irrespective of the growth scenario adopted by Government, there will be a requirement for better sector management.



**Table 5.1: Tourism Growth Scenarios**

Scenarios	2010	2020	2010 – 2020 Growth Avg Yr %
<b>A. Low Growth</b>			
Total Tourism Receipts (US\$000's)	99,400	162,000	5.0
• Stay-over tourists US\$ (000's)	95,200	155,000	
• Excursionists US\$ (000's)	4,200	7,000	
- yacht visitors US\$ (000's)	1,500	2,750	
- cruise passengers US\$ (000's)	100	250	
- ferry/air excursionists US\$ (000's)	2,600	4,000	
Tourist stay-over numbers	62,000	100,000	
Excursionist numbers	56,400	83,000	
- yacht visitors	20,000	30,000	
- cruise visitors*	1,400	3,000	
- ferry/air excursionists	35,000	50,000	
Bed-nights in paid serviced accommodation	368,000	613,000	
Rooms @ 40% room occupancy	1,621	2,330	
Rooms @ 50% room occupancy	-	1,865	
Direct Employment in Tourism	3,000	3,500	
<b>B. Medium Growth</b>			
Total Tourism Receipts (US\$M)	99,400	205,000	7.5
• Stay-over tourists US\$ (000's)	95,200	196,500	
• Excursionists US\$ (000's)	4,200	8,500	
- yacht visitors US\$ (000's)	1,500	3,000	
- cruise passengers US\$ (000's)	100	300	
- ferry/air excursionists US\$ (000's)	2,600	5,200	
Tourist stay-over numbers	62,000	126,750	
Excursionist numbers	56,400	114,000	
- yacht visitors	20,000	40,000	
- cruise visitors*	1,400	4,000	
- ferry/air excursionists	35,000	70,000	
Bed-nights in paid serviced accommodation	368,000	860,000	
Rooms @ 40% room occupancy	1,621	3,300	
Rooms @ 50% room occupancy	-	2,675	
Direct Employment in Tourism	3,000	5,000	
<b>C. High Growth</b>			
Total Tourism Receipts (US\$000's)	99,400	258,000	10.0
• Stay-over tourists US\$ (000's)	95,200	248,000	
• Excursionists US\$ (000's)	4,200	10,000	
- yacht visitors US\$ (000's)	1,500	3,600	
- cruise passengers US\$ (000's)	100	400	
- ferry/air excursionists US\$(000's)	2,600	6,000	
Tourist stay-over numbers	62,000	160,000	
Excursionist numbers	56,400	135,000	
- yacht visitors	20,000	50,000	
- cruise visitors*	1,400	5,000	
- ferry/air excursionists	35,000	80,000	
Bed-nights in paid serviced accommodation	368,000	1,125,000	
Rooms @ 40% room occupancy	1,621	4,300	
Rooms @ 50% room occupancy	-	3,450	
Direct Employment in Tourism	3,000	6,500	

\*excluding crew members





**5.1 SCENARIO A – LOW GROWTH SCENARIO**

**5.1.1 Visitor Numbers and Receipts**

Under Scenario A, the tourism sector is projected to increase by about 5% yearly over the next decade. The breakdown of this target for stay-over arrivals and excursionists is shown on Table 5.2.

**Table 5.2: Visitor Numbers and Receipts 2010 – 2020**

	Visitor Numbers			Tourism Receipts (US\$000s)	
	2010	2020		2010	2020
Stay-over tourists	62,000	100,000	Stay-over tourists	95,200	155,000
Excursionists	56,400	83,000	Excursionists	4,200	7,000
- Yacht Visitors	20,000	30,000	- Yacht Visitors	1,500	2,750
- Cruise Visitors*	1,400	3,000	- Cruise Visitors	100	250
- Ferry/Air Visitors	35,000	50,000	- Ferry/Air Visitors	2,600	4,000
<b>TOTAL VISITORS</b>	<b>118,400</b>	<b>183,000</b>	<b>TOTAL RECEIPTS</b>	<b>99,400</b>	<b>162,000</b>

\*excluding crew

**5.1.2 Market Demand and Destination Marketing**

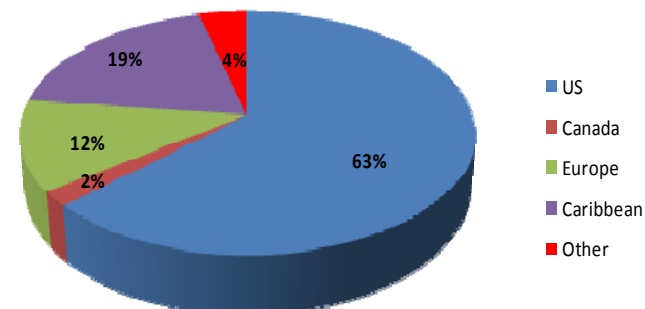
For Scenario A, market demand projections are shown on Table 5.3.

**Table 5.3: Tourism Market Demand Projections**

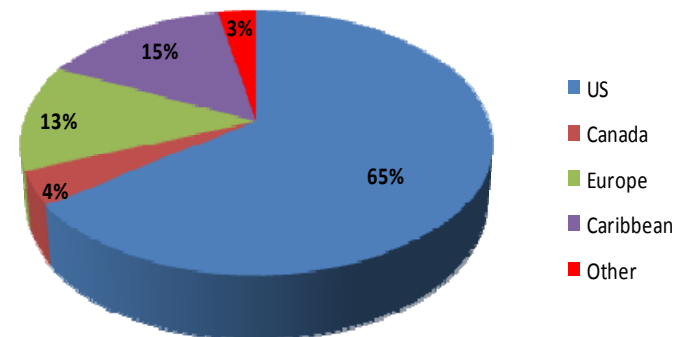
Market	2010			2020		
	Tour Nos	Avg Nights	Total Nights	Tour Nos	Avg Nights	Total Nights
US	38,900	8.0	311,200	65,000	8.0	520,000
Canada	2,400	10.0	24,000	4,000	10.0	40,000
Europe	7,600	10.0	76,000	13,000	10.0	130,000
Caribbean	11,800	5.0	59,000	15,000	5.0	75,000
Other	1,300	10.0	13,000	3,000	10.0	30,000
<b>TOTAL</b>	<b>62,000</b>	<b>7.8</b>	<b>483,200</b>	<b>100,000</b>	<b>8.0</b>	<b>795,000</b>

**Chart 5.1: Tourism Market Demand Projections, 2010 and 2020**

**2010**



**2020**



**Destination Marketing**

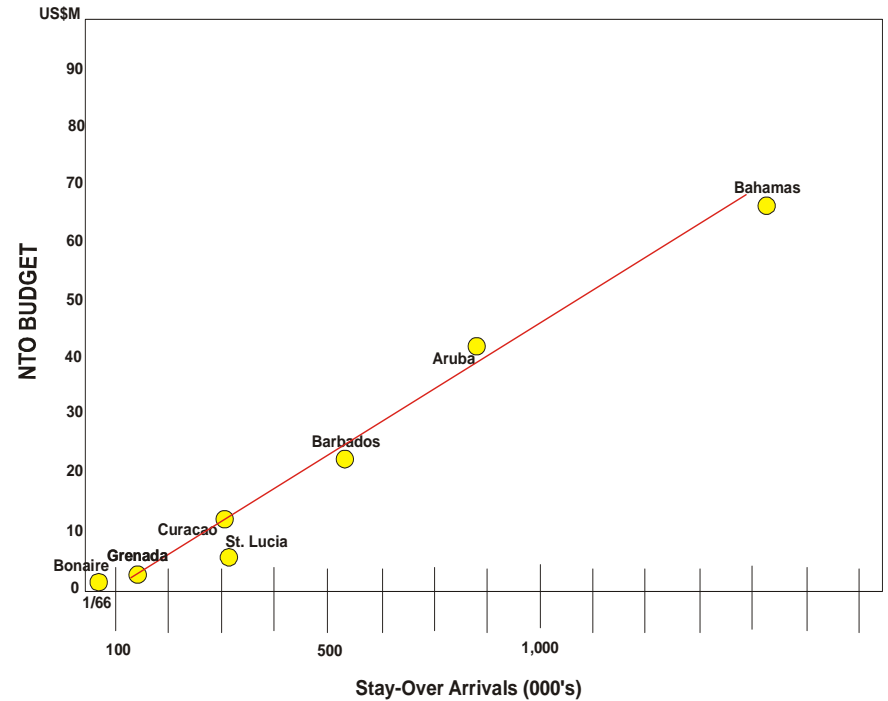
To achieve the targeted increase in tourist arrivals, increased resources will have to be directed to destination marketing. Although it is recognised that there is no direct relationship between the number of stay-over arrivals and the size of an NTO budget in any one year, Figure 5.1 suggests that high numbers of tourist arrivals are associated with high NTO budgets. The implication is clear: if Anguilla wants to increase stay-over arrivals to a higher level, a commensurate increase in financial resources must be available to the ATB.

What size marketing budget does the ATB need to achieve the stated targets? One way of approaching this issue is to see what competing destinations are spending. Although a useful indicator, this approach had a number of drawbacks, the obvious one being the assumption that other destinations know what they're doing and spend their money effectively. The second drawback with this approach is that it doesn't take into account the stage of development in a market. The third drawback is that this approach doesn't take into consideration the extent of supportive promotion from other intermediaries in the market (airlines, tour operators particularly).

Recognising that there is no scientific method or model to determine the size of the required marketing budget, the 'objective and task' approach is a more conceptually acceptable method. The basis of this approach is the specification of the objectives or targets and the costing of the means of achieving them. With inputs from the ATB market representatives in the US, Canada, UK, Germany, Italy and Puerto Rico, this approach was used to determine the marketing resources required.

To achieve the stated targets, the ATB's marketing budget will have to be increased to US\$6.5M by 2020 in terms of constant 2010 money values.

**Figure 5.1: NTO Budget and Stay-Over Arrivals, 2009**



### 5.1.3 Accommodation Requirements

Demand for paid serviced accommodation was an estimated 368,000 bed-nights in 2010. Under Scenario A, demand for paid serviced accommodation is projected to increase to 613,000 bed-nights by 2020, as shown on Table 5.4.

**Table 5.4: Bed-night Demand and Room Requirements**

Market	2010			2020		
	Tour Nos	Paid Accom Usage %	Bed-nights in Paid Accom	Tour Nos	Paid Accom Usage %	Bed-nights in Paid Accom
US	38,900	82	255,200	65,000	82	426,500
Canada	2,400	60	14,400	4,000	60	24,000
Europe	7,600	80	60,800	13,000	80	104,000
Caribbean	11,800	46	27,200	15,000	46	34,500
Other	1,300	80	10,400	3,000	80	24,000
<b>TOTAL</b>	<b>62,000</b>	<b>74</b>	<b>368,000</b>	<b>100,000</b>	<b>74</b>	<b>613,000</b>

In 2010, the accommodation stock was 1,621 rooms and the annual average room occupancy rate was about 35% for the sector. Using a 40% average room occupancy rate, accommodation requirements in 2020 are projected to be about 2,330 rooms. On the basis of using a 50% average room occupancy rate for the sector, accommodation requirements in 2020 are projected to be 1,865 rooms.

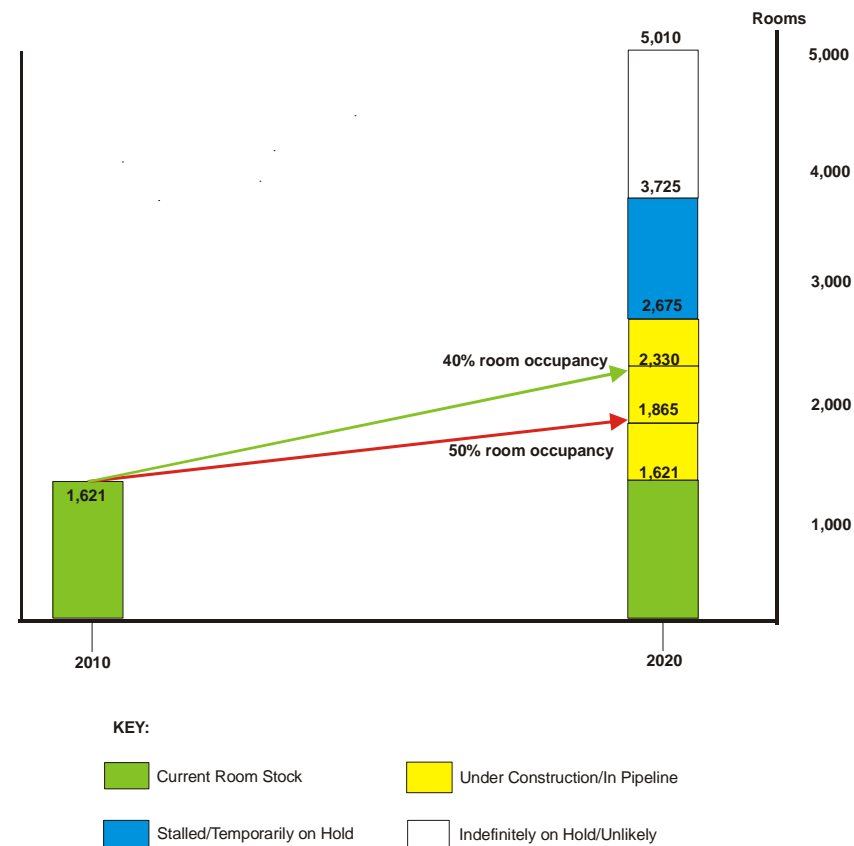
The status of approved accommodation developments is shown on Table 5.5.

**Table 5.5: Approved Accommodation Projects**

Status	Likely time frame			Total 2010/20
	2011/12	2013/15	2016/20	
Under construction	104			104
In pipe-line		586	364	950
Stalled/temporarily on hold				1,050
Indefinitely on hold/unlikely				1,285

Present plans for rooms under construction and in-pipeline (1,054) indicate that accommodation capacity could increase to 2,675 rooms by 2020, surpassing the projected room requirements under this growth scenario A.

**Figure 5.2: Implications for Accommodation Sector**



### 5.1.4 Manpower Requirements

Based on the Anguilla Social Security Board statistics, we estimate the labour force to have been about 8,000 in 2010 representing about 52% of the total population, a similar proportion as reported in the 2001 census.

With an estimated unemployment rate of 8%, total employment is about 7,300 of which some 3,000 are directly employed in tourism

**Table 5.6: Population, Labour Force and Tourism Employment, 2010**

Population	Labour Force	Total Employment	Direct Tourism Employment
15,500*	8,000	7,300	3,000*

Source: Anguilla Social Security Board \*Consultant's estimates Note: Figures rounded

The estimate of direct tourism employment is based on our HR survey among hotels, guesthouses, villas and restaurants.

The projected manpower requirements under Scenario A are shown on Table 5.7.

**Table 5.7: Scenario A Manpower Requirements**

Sub Sector	2010		2020	
	Rooms	Jobs	Rooms*	Jobs
Hotels & Guesthouses	951	1,800	1,030	2,000
Villas/Condos	670	400	835	500
Restaurant & Bars	n/a	380	n/a	
Other (taxis, car rental, ground tour operators etc)	n/a	420	n/a	1,000
<b>TOTAL</b>	<b>1,621</b>	<b>3,000</b>	<b>1,865**</b>	<b>3,500</b>

\*at 50% room occupancy \*\*based on projects under construction and in pipeline

#### HRD Implications

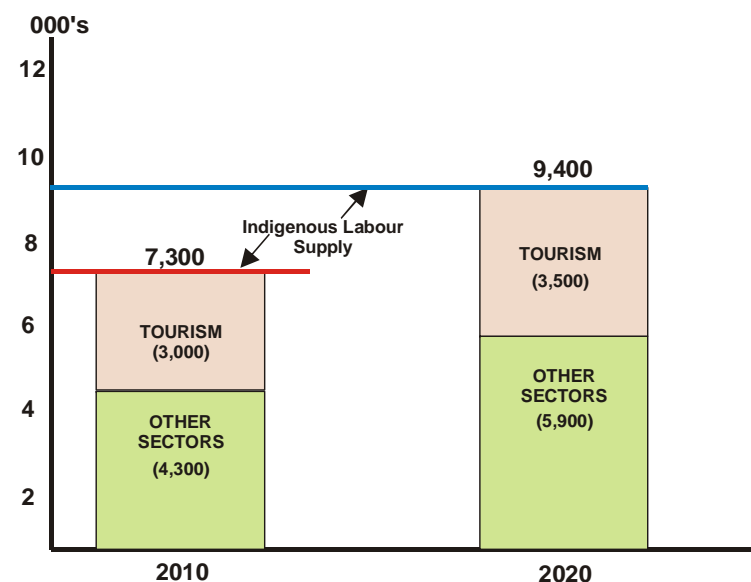
Although the courses provided by the Anguilla Community College (ACC) and the industry are (and have been) appropriate, the number and range are nowhere near current and projected needs of the hospitality sector. The HRD programme required, involving capacity building for the ACC and the proposed Hospitality Training Institute (HTI) is outlined in Ch. 11.

### Labour Supply Implications

Under Scenario A, the population of Anguilla is projected to reach about 19,000 by 2020, which, on the basis of a 52% participation rate, would mean a labour force supply of about 9,900. With a 5% unemployment rate, the effective indigenous labour force is projected to be about 9,400 people.

The implications for the supply of labour are shown on Chart 5.2.

**Chart 5.2: Implications for Labour Supply**



Based on the high economy-wide productivity levels achieved during the high growth years of the previous decade, demand for labour is projected to be about 9,400 by 2020, composed of 3,500 jobs in tourism and 5,900 in the other sectors of the economy. With a projected unemployment of about 500, the demand and supply of labour is more or less in balance.

### 5.1.5 Air and Sea Access

Under Scenario A, inward passenger traffic is projected to increase from 190,200 in 2010 to 300,000 in 2020.

**Table 5.8: Scenario A Passenger Traffic Projections**

Category	2005	2007	2009	2010	2020
Tourists	62,080	77,650	57,890	62,000	100,000
Excursionists*	69,900	63,830	35,340	35,000	50,000
Residents	110,570	132,780	102,010	93,200	150,000
<b>TOTAL</b>	<b>242,550</b>	<b>274,260</b>	<b>195,240</b>	<b>190,200</b>	<b>300,000</b>

\*excluding yacht and cruise visitors at Sandy Ground.

Any projected breakdown of passenger traffic by mode of transport must be treated with considerable circumspection because of the range of variables (air services, volume of sea services, tariffs etc) which can significantly determine the outcomes. With this caveat in mind, a 'best guess' indicative outcome under Scenario A is shown on Table 5.9 based on the following assumptions:

- With the implementation of improved air-sea intermodal access between SXM and Anguilla, underpinned by competitive tariffs, the majority of tourists will arrive by sea ferry.
- Because of the fare differentials between the air and ferry services, both residents and excursionists will predominately use sea access.
- Increased tourist arrivals by air will reflect improved connectivity with the San Juan and Antigua hubs.

**Table 5.9: Passenger Arrivals by Air and Sea, 2000 – 2010**

MODE	2005	2007	2009	2010*	2020
<b>Air</b>					
tourists	30,420	33,630	16,340	16,370	25,000
excursionists	1,600	1,530	740	780	1,500
residents	11,830	17,580	12,290	10,000	16,500
<b>Total Air</b>	<b>43,850</b>	<b>52,740</b>	<b>29,370</b>	<b>27,150</b>	<b>43,000</b>
<b>Sea</b>					
tourists	31,660	44,020	41,550	45,630	75,000
excursionists	68,300	62,300	34,600	34,220	48,500
residents	98,740	115,200	89,720	83,200	133,500
<b>Total Sea</b>	<b>198,700</b>	<b>221,520</b>	<b>165,870</b>	<b>164,050</b>	<b>257,000</b>
<b>Total Air &amp; Sea</b>	<b>242,550</b>	<b>274,260</b>	<b>195,240</b>	<b>190,200</b>	<b>300,000</b>

### Airport Infrastructure

#### Extending the Runway to facilitate Private Jet Demand

The immediate challenge for the Anguilla Air and Sea Ports Authority is its ability to handle the peak demand for private jets and meet the changing infrastructural requirements of the longer range private jets. In this respect it is worthwhile noting that the number of private jet landings has increased from about 800 in 2009 to 970 in 2010.

NetJets has requested an additional 30ft of runway to accommodate its larger private jets especially, the Gulfstream IV and V. (NetJets plans to purchase 120 of the new Bombardier Global Aircraft, with delivery set to begin in 2012, should also be noted).

The Airport administration estimates a minimum cost of US\$700,000 but also notes that the Airport is running at a deficit. A loan of US\$700,000 over say five (5) years at 8% interest will require an annual payment of c.a. US\$196,000. Since this payment will likely have to be made by the Government, the critical question is how many incremental private jet flights per annum will generate additional government income of US\$196,000 from say landing and parking fees, fuel taxes, taxes generated from the expenditure of the tourists arriving on the additional flights.

An important consideration is to what extent is NetJets committed to marketing Anguilla to its world-wide clients, especially in countercyclical geographic areas, including the BRIC countries where billionaires are being created at the fastest rate in the world, so as to help generate the additional business.

A feasibility study, covering the technical, market, financial and economic implications, should be carried out as a priority action.

### **Facilitating Commercial Passenger Jets**

Anguilla's air access is dependent upon its nearby regional international gateways. A key policy consideration is whether this dependence is in the best interest of Anguilla or whether it should strive for independence by either

- a) Extending the existing runway to a minimum of 6,600ft to accommodate intra-continental commercial jet services (B-737s, A320s, Jet Blue and Insel Air type aircraft), or
- b) Building a new airport with a minimum runway length of 7,500ft to accommodate inter-continental commercial jet services (B747s etc).

Under Scenario A, it is unlikely that either of the above options could be supported in purely economic terms.

### ***New Sea Ferry Terminal***

As indicated on Table 5.9, projected passenger arrivals by sea are 257,000 by 2020 which, based on the present fleet size and level of services, would imply an average ferry passenger load factor of over 60%. In response, the fleet will be expanded, resulting in increased pressure on existing ferry terminal facilities.

The capacity of the terminal was assessed\* to be inadequate in 2007 when sea passenger arrival traffic was just over 221,500. The implication is that the construction of a new ferry terminal will

be necessary by 2015 to accommodate the projected expansion in passenger traffic.

Taking into account the lead times involved in the mobilization of the necessary funds and the physical construction of the terminal, an updated/revised feasibility study/master plan should be initiated as a matter of priority.

### **5.1.6 Environmental Management**

The quality of the environment is an integral component in the continuing success and growth of the tourism industry. Further development, without controls, will place more pressure on the environment. The main resource that makes Anguilla attractive to tourists (the beaches) is under serious threat. Recommended ameliorative measures include:

- Strict control of the input of pollutants into the marine environment, especially from local sources.
- Salt ponds not to be connected to the ocean and dunes not to be removed.
- Regulation of septic tank construction to restrict their proximity to the coastline.
- Strict enforcement of the policy guiding development setbacks.
- Full assessment of all other potential sources of pollution, including the Corito Bay landfill site.
- Stricter controls, including greater surveillance and spot checks on holding tanks, to address the dumping of waste water at sea.

\*Master Plan Port of Blowing Point, Anguilla, Jacobs Consultancy, 2008

To which should be added:

- Controls on the siting and design of buildings and supporting infrastructure.

Proper planning, evaluation, environmental controls and mitigation measures need to be in place and operating as soon as possible. The introduction of Coastal Zone Management to protect coastal waters, inland bays, beaches and coastal landscape is necessary.

Proper management facilities for solid waste, alternative waste treatment and reduction of packaging and recycling will all be required to lessen the impact of increased development. Tourism establishments must also be encouraged to use solar energy and new forms of energy. The 'greening of hotels' programme, as outlined in Ch. 11, should be initiated as a priority.

Likewise, programmes will need to be established to address the future impacts of climate change and sea level rises. It is particularly difficult to predict the consequences of climate change without knowledge of eco systems, rates of reef growth etc and how these will respond to the rate of sea level rise. Further tourism development under these circumstances requires study and monitoring in order to safeguard the natural resource base of the island.

### 5.1.7 Sector Management

Overall management of the sector will need to be improved. This covers

- Marketing management with the ATB.
- More control over the pace and scale of developments.
- Registration and licensing of tour operators.
- Upgrading of service standards.
- Quality assurance through standards and certification.
- Better integration with the community and economy.

To improve overall management of the sector, technical support will be required to implement the recommended programmes as

outlined in Chs 11, 12 and 13. The technical support will include 'know-how' transfer, supplies and equipment, with an estimated cost of US\$5.5M.

**Table 5.10: Technical Support Requirements**

Programme	US\$
(i) STMP Project Management Unit	500,000
(ii) Strengthen Marketing Management within ATB	350,000
(iii) Strengthen Physical Planning Dept and Preparation of TDA plans	1,500,000
(iv) Support for Environmental Management Agency	350,000
(v) Support for Dept of Statistics to Implement CARTAC Recommendations	350,000
(vi) HRD Programme	1,500,000
(vii) Registration, Standards and Classification	350,000
(viii) Greening of Hotels	150,000
(ix) Economic Linkages	450,000
<b>TOTAL</b>	<b>5,500,000</b>

### 5.1.8 Economic Infrastructure

Roads: The poor condition of the principal roads in The Valley will need to be addressed, particularly the upgrade of:

- The Carter Rey Boulevard (0.85 km).
- The section of Albert Lake Drive from the NBA roundabout to the stoplight (0.40 km).
- The Mahogany Tree Road (0.80 km).
- The Wallblake Road (0.35 km).
- The section of Coronation Avenue from the NBA roundabout to the North Side road junction (0.70 km); and
- The road south of the Secretariat (0.35 km).

The total length of the affected road section is 3.45km.



In order to cater to the projected increase in the number of excursionists, improvements will also be needed to existing parking arrangements at Shoal Bay East and Sandy Ground as well as to feeder roads serving new resort/villa developments and new attractions such as Fountain Cavern.

**Water Supply:** The GOA is taking steps to ensure that water supplies will be able to meet total demand. Under the *Anguilla National Water Policy* (GOA, November 2010), it has been decided that new tourism-related projects shall derive a minimum of 20% (15% for existing tourism establishments) of their water requirements from the newly-established Water Corporation of Anguilla (WCA). Eventually, WCA anticipates to be in a position to deliver reliable water services to all tourism establishments. Construction of a new 500,000 gallon capacity desalination plant at Crocus Hill will help to augment the supply of piped water from the existing reverse osmosis desalination plant, and to meet future demand under the low growth scenario. Very large water using establishments will be encouraged to have backup water producing facilities to cater for their needs in times of emergency.

**Electricity Generation:** Availability of electricity supply is not and should not in the future be a constraint on the development of tourism. ANGLEC is committed to providing the necessary generating capacity by having sufficient plant installed in time to cater for required load-increases to meet the future demands of both the local and visitor populations. In 2009, installation of an additional generating set capable of producing another 5.4 MW of electricity was completed. Based on the assumption that past high rates of annual load-growth are likely to continue, it has been assumed that new generating plant of around 5 MW would need to be installed every two to three years.

Under this low growth Scenario A, at least one such new generating plant will be required by 2020.

### 5.1.9 **Social Infrastructure**

As no immigrant workers foreseen under this scenario, the impact on housing, health services, schools etc should be minimal.

### 5.1.10 **Capital Investment**

In the absence of detailed feasibility studies, it is not possible to be precise about the level of capital investment required for the implementation of Scenario A. Consequently, the figures on Table 5.11 should be regarded as indicative of the magnitudes involved rather than precise estimates.

**Table 5.11: Capital Investment Requirements**

	US\$ (000s)
(i) Access Infrastructure	
- 30ft extension of runway	1,000
- new ferry terminal	15,000
(ii) Tourism Facilities	
- Additional 244 resort rooms	145,000
- Yacht marina, real estate, retail	30,000
(iii) Visitor Attractions	
- Product development	1,000
(iv) Economic Infrastructure	20,000
(v) Social Infrastructure	9,000
<b>TOTAL</b>	<b>220,000</b>

### 5.1.11 **Consistency with Tourism Vision**

Scenario A will strengthen the Anguillian Tourism Vision of a destination offering the ultimate traditional holiday experience – peaceful relaxation, unhurried; an unquestioning acceptance by a warm and friendly people; a feeling of being safe and looked after in an environment of pampered luxury. A tranquil hideaway, with no mass tourism. A place where there are no pressures to do things; a place where time stands still.

## 5.2 SCENARIO B – MEDIUM GROWTH SCENARIO

### 5.2.1 Visitor Numbers and Receipts

Under Scenario B, the tourism sector is projected to increase by about 7.5% yearly over the next decade. The breakdown of this target for stay-over arrivals and excursionists is shown on Table 5.12.

**Table 5.12: Visitor Numbers and Receipts 2010 – 2020**

	Visitor Numbers			Tourism Receipts (US\$000s)	
	2010	2020		2010	2020
Stay-over tourists	62,000	126,750	Stay-over tourists	95,200	196,000
Excursionists	56,400	114,000	Excursionists	4,200	8,500
- Yacht Visitors	20,000	40,000	- Yacht Visitors	1,500	3,000
- Cruise Visitors*	1,400	4,000	- Cruise Passengers	100	300
- Ferry/Air Visitors	35,000	70,000	- Ferry/Air Visitors	2,600	5,200
<b>TOTAL VISITORS</b>	<b>118,400</b>	<b>240,750</b>	<b>TOTAL TOURISM RECEIPTS</b>	<b>99,400</b>	<b>205,000</b>

\*excluding crew

### 5.2.2 Market Demand and Destination Marketing

For Scenario B, market demand projections are shown on Table 5.13.

**Table 5.13: Tourism Market Demand Projections**

Market	2010			2020		
	Tour Nos	Avg Nights	Total Nights	Tour Nos	Avg Nights	Total Nights
US	38,900	8.0	311,200	80,000	8.0	640,000
Canada	2,400	10.0	24,000	7,000	10.0	70,000
Europe	7,600	10.0	76,000	17,000	10.0	170,000
Caribbean	11,800	5.0	59,000	17,750	5.0	88,750
Other	1,300	10.0	13,000	5,000	10.0	50,000
<b>TOTAL</b>	<b>62,000</b>	<b>7.8</b>	<b>483,200</b>	<b>126,750</b>	<b>8.0</b>	<b>1,018,750</b>

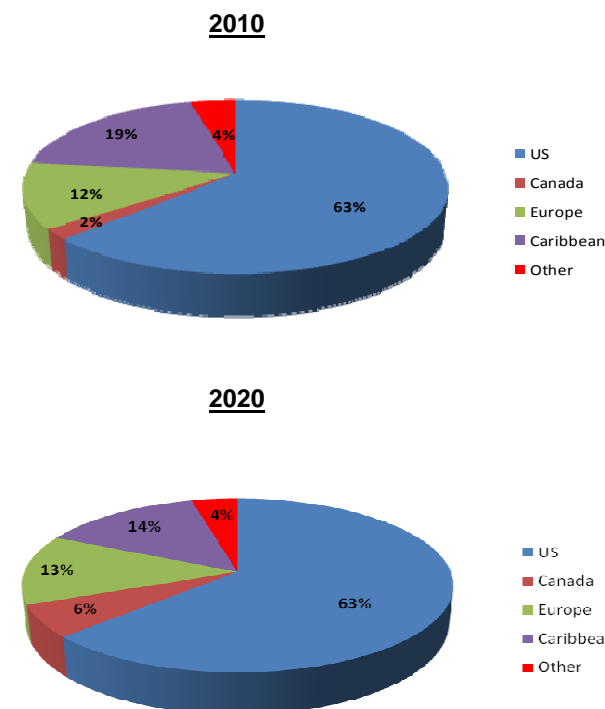
#### **Destination Marketing**

As described in Section 5.1.2 previously, as there is no scientific method or model to determine the size of the marketing budget,

the 'objective and task' approach is a more conceptually acceptable method. The basis of this approach is the specification of the objectives or targets and the costing of the means of achieving them. With inputs from the ATB market representatives in the US, Canada, UK, Germany, Italy and Puerto Rico, this approach was used to determine the marketing resources required.

To achieve the stated targets, the ATB budget will have to be increased from its current level of about US\$3.3M to about US\$8M by 2020 in terms of constant 2010 money values.

**Chart 5.3: Tourism Market Demand Projections, 2010 and 2020**



### 5.2.3 Accommodation Requirements

Demand for paid serviced accommodation was an estimated 368,000 bed-nights in 2010. Under Scenario B demand for paid serviced accommodation is projected to increase to 860,000 bed-nights by 2020, as shown on Table 5.14.

**Table 5.14: Bed-night Demand and Room Requirements**

Market	2010			2020		
	Tour Nos	Paid Accom Usage %	Bed-nights in Paid Accom	Tour Nos	Paid Accom Usage %	Bed-nights in Paid Accom
US	38,900	82	255,200	80,000	90	576,000
Canada	2,400	60	14,400	7,000	75	52,500
Europe	7,600	80	60,800	17,000	85	144,500
Caribbean	11,800	46	27,200	17,750	50	44,500
Other	1,300	80	10,400	5,000	85	42,500
<b>TOTAL</b>	<b>62,000</b>	<b>74</b>	<b>368,000</b>	<b>126,750</b>	<b>83</b>	<b>860,000</b>

In 2010, the accommodation stock was 1,621 rooms and the annual average room occupancy rate was about 35% for the sector. Using a 40% average room occupancy rate, accommodation requirements in 2020 are projected to be about 3,300 rooms. On the basis of using a 50% average room occupancy rate for the sector, accommodation requirements in 2020 are projected to be 2,675 rooms.

The status of approved accommodation developments is shown on Table 5.15.

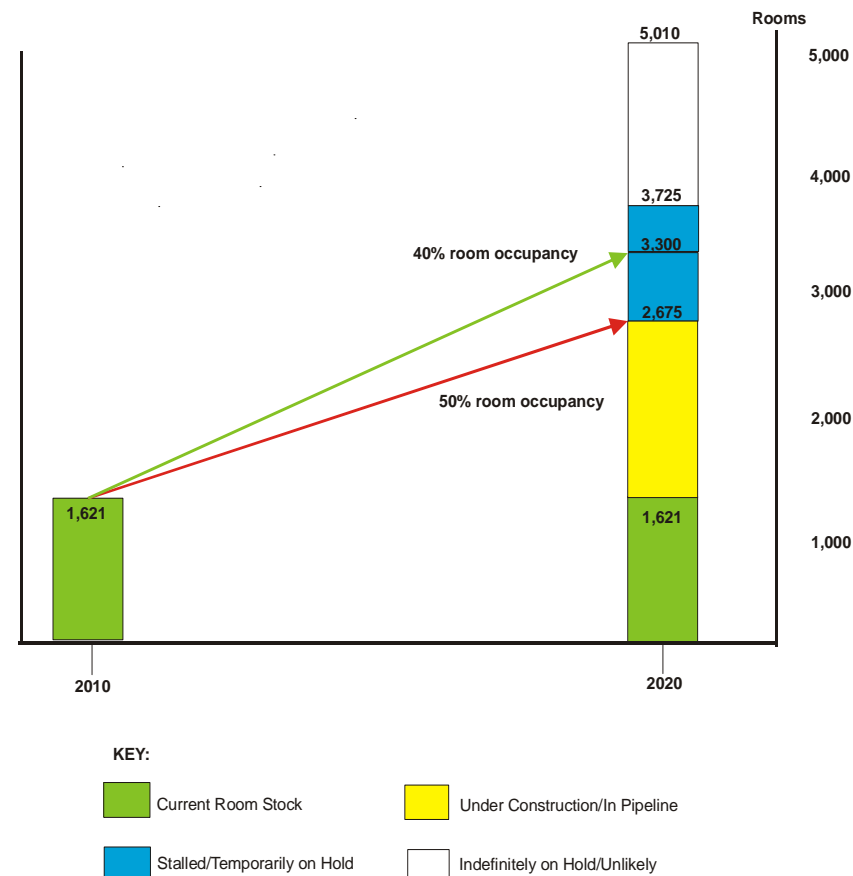
**Table 5.15: Approved Accommodation Projects**

Status	Likely time frame			Total 2010/20
	2011/12	2013/15	2016/20	
Under construction	104			104
In pipe-line		586	364	950
Stalled/temporarily on hold				1,050
Indefinitely on hold/unlikely				1,285

Present plans for rooms under construction and in-pipeline (1,054) indicate that accommodation capacity could increase to 2,675 rooms by 2020, meeting the projected room requirements under

this growth scenario B with an overall average room occupancy rate of 50% for the sector.

**Figure 5.3: Implications for Accommodation Sector**



### 5.2.4 Manpower Requirements

Based on the Anguilla Social Security Board statistics, we estimate the labour force to have been about 8,000 in 2010 representing about 52% of the total population, a similar proportion as reported in the 2001 census.

With an estimated unemployment rate of 8%, total employment is about 7,300 of which some 3,000 are directly employed in tourism.

**Table 5.16: Population, Labour Force and Tourism Employment, 2010**

Population	Labour Force	Total Employment	Direct Tourism Employment
15,500*	8,000	7,300	3,000*

Source: Anguilla Social Security Board \*Consultant's estimates Note: Figures rounded

The estimate of direct tourism employment is based on our HR survey among hotels, guesthouses, villas and restaurants.

The projected manpower requirements under Scenario B are shown on Table 5.17.

**Table 5.17: Scenario A Manpower Requirements**

Sub Sector	2010		2020	
	Rooms	Jobs	Rooms*	Jobs
Hotels & Guesthouses	951	1,800	1,625	3,075
Villas/Condos	670	400	1,050	625
Restaurant & Bars	n/a	380	n/a	1,300
Other (taxis, car rental, ground tour operators etc)	n/a	420	n/a	
<b>TOTAL</b>	<b>1,621</b>	<b>3,000</b>	<b>2,675**</b>	<b>5,000</b>

\*at 50% room occupancy \*\*based on projects under construction and in pipeline

#### HRD Implications

Although the courses provided by the ACC and the industry are (and have been) appropriate, the number and range are nowhere

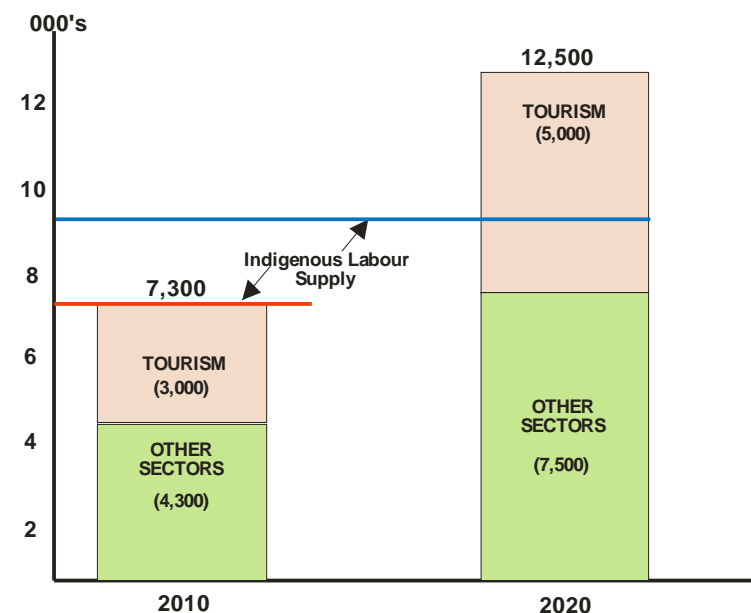
near current and projected needs of the hospitality sector. The HRD programme required, involving capacity building for the ACC and the proposed Hospitality Training Institute (HTI) is outlined in Ch. 11.

#### Labour Supply Implications

Under Scenario B, the population of Anguilla is projected to reach about 19,250 by 2020, which, on the basis of a 52% participation rate, would mean a labour force supply of about 10,000. With a 5% unemployment rate, the effective indigenous labour force is projected to be about 9,500 people.

The implications for the supply of labour are shown on Chart 5.4.

**Chart 5.4: Implications for Labour Supply**



Based on the high economy-wide productivity levels achieved during the high growth years of the previous decade, demand for labour is projected to be about 12,500 by 2020, composed of 5,000 jobs in tourism and 7,500 jobs in other sectors of the economy. With a projected effective indigenous labour force supply of 9,500, demand will exceed the supply of labour by some 3,000 which will necessitate immigrant labour to fill the job vacancies.

(It is worthwhile noting that in 2007 total employment was just under 12,000).

### 5.2.5 Air and Sea Access

Under Scenario B, inward passenger traffic is projected to increase from 190,200 in 2010 to 400,000 in 2020.

**Table 5.18: Scenario A Passenger Traffic Projections**

Category	2005	2007	2009	2010	2020
Tourists	62,080	77,650	57,890	62,000	126,750
Excursionists*	69,900	63,830	35,340	35,000	70,000
Residents	110,570	132,780	102,010	93,200	203,250
<b>TOTAL</b>	<b>242,550</b>	<b>274,260</b>	<b>195,240</b>	<b>190,200</b>	<b>400,000</b>

\*excluding yacht and cruise visitors at Sandy Ground

Any projected breakdown of passenger traffic by mode of transport must be treated with considerable circumspection because of the range of variables (air services, volume of sea services, tariffs etc) which can significantly determine the outcomes. With this caveat in mind, a 'best guess' indicative outcome under Scenario B is shown on Table 5.19 based on the following assumptions:

- With the implementation of improved air-sea intermodal access between SXM and Anguilla, underpinned by competitive tariffs, the majority of tourists will arrive by sea ferry.
- Because of fare differentials between the air and ferry services, both residents and excursionists will predominately use sea access.

- Increased tourist arrivals by air will reflect improved connectivity with the San Juan and Antigua hubs.
- Projected Anguillian population of 19,250 augmented by 3,000 immigrants.

**Table 5.19: Passenger Arrivals by Air and Sea, 2000 – 2010**

MODE	2005	2007	2009	2010*	2020
<b>Air</b>					
tourists	30,420	33,630	16,340	16,370	35,000
excursionists	1,600	1,530	740	780	2,000
residents	11,830	17,580	12,290	10,000	23,000
<b>Total Air</b>	<b>43,850</b>	<b>52,740</b>	<b>29,370</b>	<b>27,150</b>	<b>60,000</b>
<b>Sea</b>					
tourists	31,660	44,020	41,550	45,630	91,750
excursionists	68,300	62,300	34,600	34,220	68,000
residents	98,740	115,200	89,720	83,200	180,250
<b>Total Sea</b>	<b>198,700</b>	<b>221,520</b>	<b>165,870</b>	<b>164,050</b>	<b>340,000</b>
<b>Total Air &amp; Sea</b>	<b>242,550</b>	<b>274,260</b>	<b>195,240</b>	<b>190,200</b>	<b>400,000</b>

### Airport Infrastructure

#### Extending the Runway to facilitate Private Jet Demand

The immediate challenge for the Anguilla Air and Sea Ports Authority is its ability to handle the peak demand for private jets and meet the changing infrastructural requirements of the longer range private jets. In this respect it is worthwhile noting that the number of private jet landings has increased from about 800 in 2009 to 970 in 2010.

NetJets has requested an additional 30ft of runway to accommodate its larger private jets especially, the Gulfstream IV and V. (NetJets plans to purchase 120 of the new Bombardier Global Aircraft, with delivery set to begin in 2012, should be noted).

An important consideration is to what extent is NetJets committed to marketing Anguilla to its world-wide clients, especially in countercyclical geographic areas, including the BRIC countries where billionaires are being created at the fastest rate in the world, so as to help generate the additional business.

### Facilitating Commercial Passenger Jets

Anguilla's air access is dependent upon its nearby regional international gateways. A key policy determination is whether this dependence is in the best interest of Anguilla or whether it should strive for independence by either

- a) Extending the existing runway to a minimum of 6,600ft to accommodate intra-continental commercial jet services (B-737s, A320s, Jet Blue and Insel Air type aircraft), or
- b) Building a new airport with a minimum runway length of 7,500ft to accommodate inter-continental jet services (B747s etc).

On the one hand the SXM gateway may be viewed as an asset since it supports a much larger level of air service than Anguilla is likely to attract solely on the basis of its own capacity to generate traffic. In 2007, (Anguilla's peak traffic year to date), there were 78,000 tourist arrivals, of which 34,000 arrived by air. Even if it is assumed that all of the 2020 projected increase in stay-over tourists arrive by air (64,750); that Anguillian residents (including immigrants) make an average of 3 air trips per year (66,750); and that 2,000 excursionists arrive by air, total passenger arrivals by air would be no more than 150,000 in 2020. Moreover the traffic would likely to be focused over 3-4 days per week.

On the other hand, to support an Anguillian tourism sector with some 2,675 rooms, security of air access and direct connectivity to major markets will be necessary. (That said, the decision to either extend the existing runway or build a new airport also has to take into account the national issue of security of access, if for example St. Maarten/St. Martin's seaports were closed to Anguilla).

Given this maximum level of demand, the more cost effective option would be the extension of the runway to 6,600ft and related improvements to the terminal. The potential cost of a new airport would be between US\$200M and US\$250M (the construction of Argyle Airport in St. Vincent with a 9,000ft runway is projected to start in August 2011 with an estimated cost of EC\$652M).

Taking into account the lead times involved in the mobilization of funds and actual construction, it is recommended that a feasibility study on extending the existing runway to a minimum of 6,600ft be initiated. A component of the feasibility study would be the cost/benefit assessment of extending the runway by 30ft to accommodate the NetJets' requirements for its larger private jets.

### **New Sea Ferry Terminal**

As indicated on Table 5.17, projected passenger arrivals by sea are 340,000 by 2020 which, based on the present fleet size and level of services, would imply an average ferry passenger load factor of over 80%. In response, the fleet will be expanded, resulting in increased pressure on existing ferry terminal facilities.

The capacity of the terminal was assessed\* to be inadequate in 2007 when sea passenger arrival traffic was just over 221,500. The implication is that the construction of a new ferry terminal will be necessary by 2014 to accommodate the projected expansion in passenger traffic.

Taking into account the lead times involved in the mobilization of funds and the actual construction of the terminal, an updated/revised feasibility study/master plan should be initiated as a priority action.

\*Master Plan Port of Blowing Point, Anguilla, Jacobs Consultancy, 2008

### 5.2.6 Environmental Management

The quality of the environment is an integral component in the continuing success and growth of the tourism industry. Further development, without controls, will place more pressure on the environment. The main resource that makes Anguilla attractive to tourists (the beaches) is under serious threat. Recommended ameliorative measures include:

- Strict control of the input of pollutants into the marine environment, especially from local sources.
- Salt ponds not to be connected to the ocean and dunes not to be removed.
- Regulation of septic tank construction to restrict their proximity to the coastline.
- Strict enforcement of the policy guiding development setbacks.
- Full assessment of all other potential sources of pollution, including the Corito Bay landfill site.
- Stricter controls, including greater surveillance and spot checks on holding tanks, to address the dumping of waste water at sea.

To which should be added:

- Controls on the siting and design of buildings and supporting infrastructure.

Proper planning, evaluation, environmental controls and mitigation measures need to be in place and operating as soon as possible. The introduction of Coastal Zone Management to protect coastal waters, inland bays, beaches and coastal landscape is necessary.

Proper management facilities for solid waste, alternative waste treatment and reduction of packaging and recycling will all be required to lessen the impact of increased development. Tourism establishments must also be encouraged to use solar energy and new forms of energy. The 'greening of hotels' programme, as outlined in Ch.11 should be initiated as a priority.

Likewise, programmes will need to be established to address the future impacts of climate change and sea level rises. It is particularly difficult to predict the consequences of anticipated climate change without knowledge of eco systems, rates of reef growth etc and how these will respond to the rate of sea level rise. Further tourism development under these circumstances requires study and monitoring in order to safeguard the natural resource base of the island.

### 5.2.7 Sector Management

Overall management of the sector will need to be improved. This covers

- Marketing management with the ATB.
- More control over the pace and scale of developments.
- Registration and licensing of tour operators.
- Upgrading of service standards.
- Quality assurance through standards and certification.
- Better integration with the community and economy.

To improve overall management of the sector, technical support will be required to implement the recommended programmes as outlined in Chs 11, 12 and 13. The technical support will include 'know-how' transfer, supplies and equipment, with an estimated cost of US\$5.5M.



**Table 5.20: Technical Support Requirements**

Programme	US\$
(i) STMP Project Management Unit	500,000
(ii) Strengthen Marketing Management within ATB	350,000
(iii) Strengthen Physical Planning Dept and Preparation of TDA plans	1,500,000
(iv) Support for Environmental Management Agency	350,000
(v) Support for Dept of Statistics to Implement CARTAC Recommendations	350,000
(vi) HRD Programme	1,500,000
(vii) Registration, Standards and Classification	350,000
(viii) Greening of Hotels	150,000
(ix) Economic Linkages	450,000
<b>TOTAL</b>	<b>5,500,000</b>

### 5.2.8 Economic Infrastructure

Roads: The poor condition of the principal roads in The Valley will need to be addressed, particularly the upgrade of:

- The Carter Rey Boulevard (0.85 km).
- The section of Albert Lake Drive from the NBA roundabout to the stoplight (0.40 km).
- The Mahogany Tree Road (0.80 km).
- The Wallblake Road (0.35 km).
- The section of Coronation Avenue from the NBA roundabout to the North Side road junction (0.70 km); and
- The road south of the Secretariat (0.35 km).

The total length of the affected road sections is 3.45 km.

In order to cater to the projected increase in the number of excursionists,, improvements will also be needed to existing parking arrangements at Shoal Bay East and Sandy Ground as

well as to feeder roads serving new resort/villa developments and new attractions such as Fountain Cavern.

Water Supply: The GOA is taking steps to ensure that water supplies will be able to meet total demand. Under the *Anguilla National Water Policy* (GOA, November 2010), it has been decided that new tourism-related projects shall derive a minimum of 20% (15% for existing tourism establishments) of their water requirements from the newly-established Water Corporation of Anguilla (WCA). Eventually, WCA anticipates to be in a position to deliver reliable water services to all tourism establishments. Construction of a new 500,000 gallon capacity desalination plant at Crocus Hill will help to augment the supply of piped water from the existing reverse osmosis desalination plant, and to meet future demand under the medium growth scenario. Very large water using establishments will be encouraged to have backup water producing facilities to cater for their needs in times of emergency.

Electricity Generation: Availability of electricity supply is not and should not in the future be a constraint on the development of tourism. ANGLEC is committed to providing the necessary generating capacity by having sufficient plant installed in time to cater for required load-increases to meet the future demands of both the local and visitor populations. In 2009, installation of an additional generating set capable of producing another 5.4 MW of electricity was completed. Based on the assumption that past high rates of annual load-growth are likely to continue, it has been assumed that new generating plant of around 5 MW would need to be installed every two to three years. Under the medium growth scenario, two additional generating plants will be required by 2020. In addition, alternative sources of energy will need to be investigated e.g. wind energy at Corito and Windward Point.

### 5.2.9 Social Infrastructure

With upwards 3,000 immigrant workers and dependents foreseen under this scenario, there will be a requirement for additional housing and health services.

### 5.2.10 Capital Investment

In the absence of detailed feasibility studies, it is not possible to be precise about the level capital investment required for the implementation of Scenario B. Consequently, the figures on Table 5.21 should be regarded as indicative of the magnitudes involved rather than precise estimates.

**Table 5.21: Capital Investment Requirements**

	US\$ (000s)
(i) Access Infrastructure	
- extension of runway to 6,600ft & improvements to airport terminal	17,000
- new ferry terminal	15,000
(ii) Tourism Facilities	
- Additional 1,054 resort rooms	650,000
- Yacht marina, real estate, retail	30,000
(iii) Visitor Attractions	
- Product development	2,000
(iv) Economic Infrastructure	24,000
(v) Social Infrastructure	12,000
<b>TOTAL</b>	<b>750,000</b>

### 5.2.11 Consistency with Tourism Vision

Scenario B is considered to be the maximum achievable consistent with maintaining the Anguillian Tourism Vision of a destination offering the ultimate traditional holiday experience – peaceful relaxation, unhurried; an unquestioning acceptance by a warm and friendly people; a feeling of being safe and looked after in an environment of pampered luxury. A tranquil hideaway, with no mass tourism. A place where there are no pressures to do things; a place where time stands still.



### 5.3 SCENARIO C – HIGH GROWTH SCENARIO

#### 5.3.1 Visitor Numbers and Receipts

Under Scenario C, the tourism sector is projected to increase by about 10% yearly over the next decade. The breakdown of this target for stay-over arrivals and excursionists is shown on Table 5.22.

**Table 5.22: Visitor Numbers and Receipts 2010 – 2020**

	Visitor Numbers			Tourism Receipts (US\$000s)	
	2010	2020		2010	2020
Stay-over tourists	62,000	160,000	Stay-over tourists	95,200	248,000
Excursionists	56,400	135,000	Excursionists	4,200	10,000
- Yacht Visitors	20,000	50,000	- Yacht Visitors	1,500	3,600
- Cruise Visitors*	1,400	5,000	- Cruise Passengers	100	400
- Ferry/Air Visitors	35,000	80,000	- Ferry/Air Visitors	2,600	6,000
<b>TOTAL VISITORS</b>	<b>118,400</b>	<b>295,000</b>	<b>TOTAL TOURISM RECEIPTS</b>	<b>99,400</b>	<b>258,000</b>

\*excluding crew

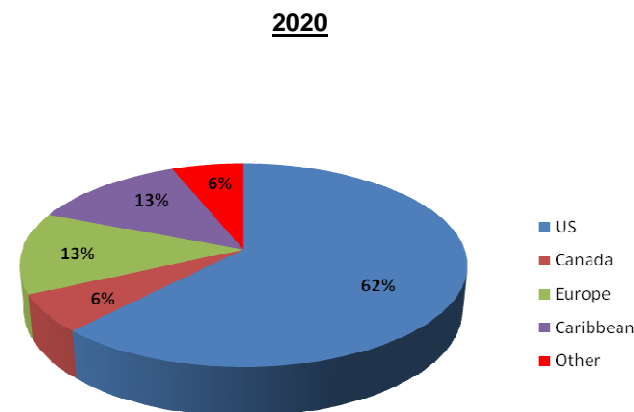
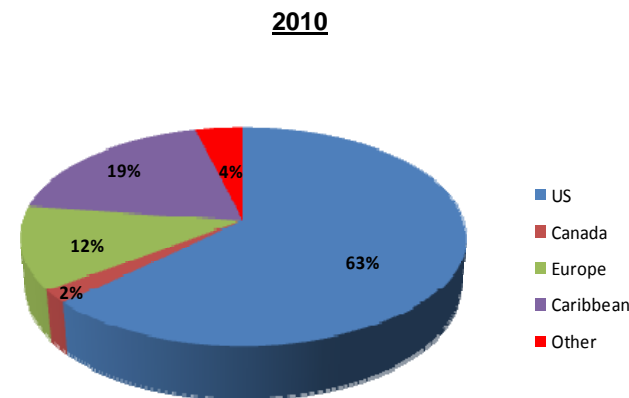
#### 5.3.2 Market Demand and Destination Marketing

For Scenario C, market demand projections are shown on Table 5.23.

**Table 5.23: Tourism Market Demand Projections**

Market	2010			2020		
	Tour Nos	Avg Nights	Total Nights	Tour Nos	Avg Nights	Total Nights
US	38,900	8.0	311,200	100,000	8.0	800,000
Canada	2,400	10.0	24,000	10,000	10.0	100,000
Europe	7,600	10.0	76,000	20,000	10.0	200,000
Caribbean	11,800	5.0	59,000	20,000	5.0	100,000
Other	1,300	10.0	13,000	10,000	10.0	100,000
<b>TOTAL</b>	<b>62,000</b>	<b>7.8</b>	<b>483,200</b>	<b>160,000</b>	<b>8.0</b>	<b>1,300,000</b>

**Chart 5.5: Tourism Market Demand Projections, 2010 and 2020**



**Destination Marketing**

As described in Section 5.1.2 previously, as there is no scientific method or model to determine the size of the marketing budget, the 'objective and task' approach is a more conceptually acceptable method. The basis of this approach is the specification of the objectives or targets and the costing of the means of achieving them. With inputs from the ATB market representatives in the US, Canada, UK, Germany, Italy and Puerto Rico, this approach was used to determine the marketing resources required.

To achieve the stated targets, the ATB budget will have to be increased from its current level of about US\$3.3M to about US\$10.5M by 2020 in terms of constant 2010 money values.

**5.3.3 Accommodation Requirements**

Demand for paid serviced accommodation was an estimated 368,000 bed-nights in 2010. Under Scenario C demand for paid serviced accommodation is projected to increase to 1,125,000 bed-nights by 2020, as shown on Table 5.24.

**Table 5.24: Bed-night Demand and Room Requirements**

Market	2010			2020		
	Tour Nos	Paid Accom Usage %	Bed-nights in Paid Accom	Tour Nos	Paid Accom Usage %	Bed-nights in Paid Accom
US	38,900	82	255,200	100,000	90	720,000
Canada	2,400	60	14,400	10,000	80	80,600
Europe	7,600	80	60,800	20,000	85	176,000
Caribbean	11,800	46	27,200	20,000	70	70,000
Other	1,300	80	10,400	10,000	85	85,000
<b>TOTAL</b>	<b>62,000</b>	<b>74</b>	<b>368,000</b>	<b>160,000</b>	<b>86</b>	<b>1,125,000</b>

In 2010, the accommodation stock was 1,621 rooms and the annual average room occupancy rate was about 35% for the sector. Using a 40% average room occupancy rate, accommodation requirements in 2020 are projected to be about 4,300 rooms. On the basis of using a 50% average room

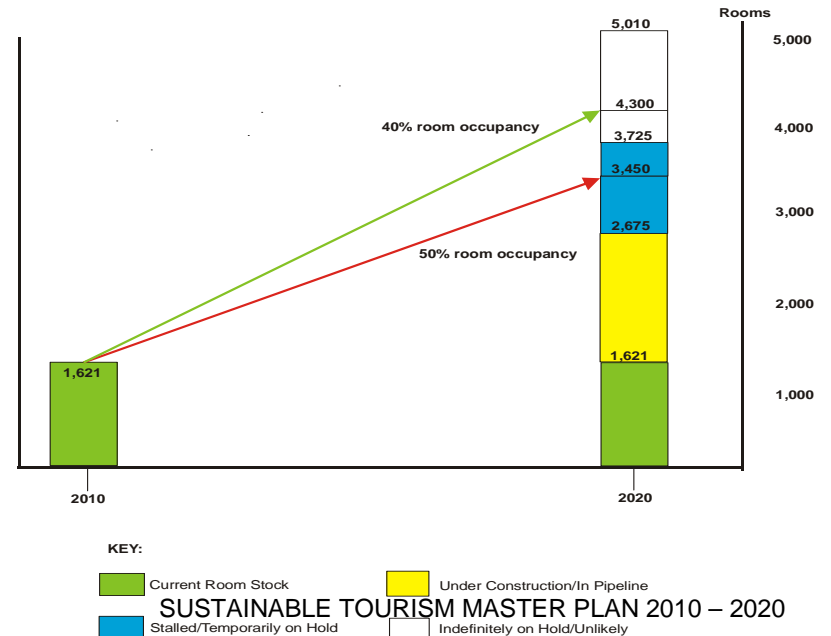
occupancy rate for the sector, accommodation requirements in 2020 are projected to be 3,450 rooms. The status of approved accommodation developments is shown on Table 5.25.

**Table 5.25: Approved Accommodation Projects**

Status	Likely time frame			Total 2010/20
	2011/12	2013/15	2016/20	
Under construction	104			104
In pipe-line		586	364	950
Stalled/temporarily on hold				1,050
Indefinitely on hold/unlikely				1,285

Present plans for rooms under construction and in-pipeline (1,054) indicate that accommodation capacity could increase to 2,675 rooms by 2020, well within the projected room requirements under this growth Scenario C with an overall average room occupancy rate of 50% for the sector.

**Figure 5.4: Implications for Accommodation Sector**



### 5.3.4 Manpower Requirements

Based on the Anguilla Social Security Board statistics, we estimate the labour force to have been about 8,000 in 2010 representing about 52% of the total population, a similar proportion as reported in the 2001 census.

With an estimated unemployment rate of 8%, total employment is about 7,300 of which some 3,000 are directly employed in tourism.

**Table 5.26: Population, Labour Force and Tourism Employment, 2010**

Population	Labour Force	Total Employment	Direct Tourism Employment
15,500*	8,000	7,300	3,000*

Source: Anguilla Social Security Board \*Consultant's estimates Note: Figure rounded

The estimate of direct tourism employment is based on our HR survey among hotels, guesthouses, villas and restaurants.

The projected manpower requirements under Scenario C are shown on Table 5.27.

**Table 5.27: Scenario A Manpower Requirements**

Sub Sector	2010		2020	
	Rooms	Jobs	Rooms*	Jobs
Hotels & Guesthouses	951	1,800	2,100	4,000
Villas/Condos	670	400	1,350	800
Restaurant & Bars	n/a	380	n/a	1,700
Other (taxis, car rental, ground tour operators etc)	n/a	420	n/a	
<b>TOTAL</b>	<b>1,621</b>	<b>3,000</b>	<b>3,450**</b>	<b>6,500</b>

\*at 50% room occupancy \*\*based on projects under construction and in pipeline

### HRD Implications

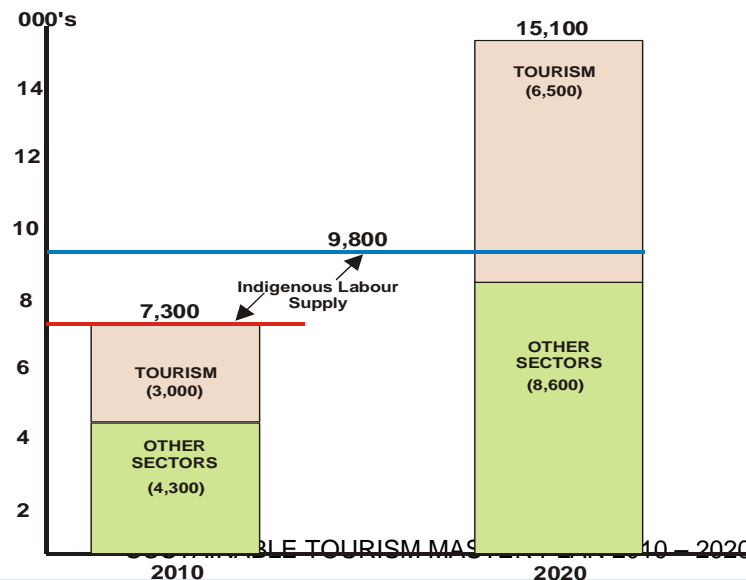
Although the courses provided by the ACC and the industry are (and have been) appropriate, the number and range are nowhere near current and projected needs of the hospitality sector. The HRD programme required, involving capacity building for the ACC and the proposed Hospitality Training Institute (HTI) is outlined in Ch. 11.

### Labour Supply Implications

Under Scenario C, the population of Anguilla is projected to reach about 19,850 by 2020, which, on the basis of a 52% participation rate, would mean a labour force supply of about 10,300. With a 5% unemployment rate, the effective indigenous labour force is projected to be about 9,800 people.

The implications for the supply of labour are shown on Chart 5.6.

**Chart 5.6: Implications for Labour Supply**



Based on the high economy-wide productivity levels achieved during the high growth years of the previous decade, demand for labour is projected to be about 15,100 by 2020, composed of 6,500 jobs in tourism and 8,600 jobs in other sectors of the economy. With a projected effective indigenous labour force supply of 9,800, demand will exceed the supply of labour by some 5,300 which will necessitate immigrant labour to fill the job vacancies.

(It is worthwhile noting that in 2007 total employment was just under 12,000).

### 5.3.5 Air and Sea Access

Under Scenario C, inward passenger traffic is projected to increase from 190,200 in 2010 to 500,000 in 2020.

**Table 5.28 Scenario A Passenger Traffic Projections**

Category	2005	2007	2009	2010	2020
Tourists	62,080	77,650	57,890	62,000	160,000
Excursionists*	69,900	63,830	35,340	35,000	80,000
Residents	110,570	132,780	102,010	93,200	250,000
<b>TOTAL</b>	<b>242,550</b>	<b>274,260</b>	<b>195,240</b>	<b>190,200</b>	<b>500,000</b>

\*excluding yacht and cruise visitors at Sandy Ground.

Any projected breakdown of passenger traffic by mode of transport must be treated with considerable circumspection because of the range of variables (air services, volume of sea services, tariffs etc) which can significantly determine the outcomes. With this caveat in mind, a 'best guess' indicative outcome under Scenario C is shown on Table 5.25 based on the following assumptions:

- With the implementation of improved air-sea intermodal access between SXM and Anguilla, underpinned by competitive tariffs, the majority of tourists will arrive by sea ferry.
- Because of the fare differentials between the air and ferry services, both residents and excursionists will predominately use sea access.

- Increased tourist arrivals by air will reflect improved connectivity with the San Juan and Antigua hubs.
- Projected Anguillian population of 19,850 augmented by 6,000 immigrants (5,300 job seekers plus dependents).

**Table 5.29: Passenger Arrivals by Air and Sea, 2000 – 2010**

MODE	2005	2007	2009	2010*	2020
<b>Air</b>					
tourists	30,420	33,630	16,340	16,370	50,000
excursionists	1,600	1,530	740	780	3,000
residents	11,830	17,580	12,290	10,000	32,000
<b>Total Air</b>	<b>43,850</b>	<b>52,740</b>	<b>29,370</b>	<b>27,150</b>	<b>85,000</b>
<b>Sea</b>					
tourists	31,660	44,020	41,550	45,630	110,000
excursionists	68,300	62,300	34,600	34,220	77,000
residents	98,740	115,200	89,720	83,200	228,000
<b>Total Sea</b>	<b>198,700</b>	<b>221,520</b>	<b>165,870</b>	<b>164,050</b>	<b>415,000</b>
<b>Total Air &amp; Sea</b>	<b>242,550</b>	<b>274,260</b>	<b>195,240</b>	<b>190,200</b>	<b>500,000</b>

### Airport Infrastructure

#### Extending the Runway to facilitate Private Jet Demand

The immediate challenge for the Anguilla Air and Sea Ports Authority is its ability to handle the peak demand for private jets and meet the changing infrastructural requirements of the longer range private jets. In this respect it is worthwhile noting that the number of private jet landings has increased from about 800 in 2009 to 970 in 2010.

NetJets has requested an additional 30ft of runway to accommodate its larger private jets especially, the Gulfstream IV and V. (NetJets plans to purchase 120 of the new Bombardier Global Aircraft, with delivery set to begin in 2012, should also be noted).

An important consideration is to what extent is NetJets committed to marketing Anguilla to its world-wide clients, especially in countercyclical geographic areas, including the BRIC countries where billionaires are being created at the fastest rate in the world, so as to help generate the additional business.



### Facilitating Commercial Passenger Jets

Anguilla's air access is dependent upon its nearby regional international gateways. A key policy determination is whether this dependence is in the best interest of Anguilla or whether it should strive for independence by either

- a) Extending the existing runway to a minimum of 6,600ft to accommodate intra-continental commercial jet services (B-737s, A320s, Jet Blue and Insel Air type aircraft), or
- b) Building a new airport with a minimum runway length of 7,500ft to accommodate inter-continental jet services (B747s etc).

On the one hand, the SXM gateway may be viewed as an asset since it supports a much larger level of air service than Anguilla is likely to attract solely on the basis of its own capacity to generate traffic. In 2007, (Anguilla's peak traffic year to date), there were 78,000 tourist arrivals, of which 34,000 arrived by air. Even if it is assumed that all of the 2020 projected increase in stay-over tourists arrive by air (98,000); that Anguillian residents (including immigrants) make an average of 3 air trips per year (74,550); and that 3,000 excursionists arrive by air, total passenger arrivals by air would be no more than 192,000 in 2020. Moreover this demand is likely to be focused over 3-4 days per week.

To support an Anguillian tourism sector with some 3,450 rooms security of access and direct connectivity to major markets will undoubtedly be necessary. Extending the runway to 6,600ft and improvements to the terminal is a minimum.

There are no hard or fast rules as to what level of air traffic and size of tourism industry justifies an airport infrastructure to facilitate commercial passenger jets. However, a technical and economic feasibility study\* envisaged some 3,300 to 3,800 visitor rooms to justify an airport infrastructure capable of facilitating long haul (B747s etc) passenger jets.

\*CIEC Engineering, 1999

### New Sea Ferry Terminal

As indicated on Table 5.25, projected passenger arrivals by sea are 415,000 by 2020 which, based on the present fleet size and level of services, would imply an average ferry passenger load factor of well over 90%. In response, the fleet will be expanded, resulting in increased pressure on existing ferry terminal facilities.

The capacity of the terminal was assessed\* to be inadequate in 2007 when sea passenger arrival traffic was just over 221,500. Under Scenario C, the implication is that the construction of a new ferry terminal is now urgently required to accommodate the projected expansion in passenger traffic.

### 5.3.6 Environmental Management

The quality of the environment is an integral component in the continuing success and growth of the tourism industry. Further development, without controls, will place more pressure on the environment. The main resource that makes Anguilla attractive to tourists (the beaches) is under serious threat. Recommended ameliorative measures include:

- Strict control of the input of pollutants into the marine environment, especially from local sources.
- Salt ponds not to be connected to the ocean and dunes not to be removed.
- Regulation of septic tank construction to restrict their proximity to the coastline.
- Strict enforcement of the policy guiding development setbacks.
- Full assessment of all other potential sources of pollution, including the Corito Bay landfill site.

\*Master Plan Port of Blowing Point, Anguilla, Jacobs Consultancy, 2008



- Stricter controls, including greater surveillance and spot checks on holding tanks, to address the dumping of waste water at sea.

To which should be added:

- Controls on the siting and design of buildings and supporting.

Proper planning, evaluation, environmental controls and mitigation measures need to be in place and operating as soon as possible. The introduction of Coastal Zone Management to protect coastal waters, inland bays, beaches and coastal landscape is necessary.

Proper management facilities for solid waste, alternative waste treatment and reduction of packaging and recycling will all be required to lessen the impact of increased development. Tourism establishments must also be encouraged to use solar energy and new forms of energy. The 'greening of hotels' programme, as outlined in Ch.11, should be initiated as a priority.

Likewise, programmes will need to be established to address the future impacts of climate change and sea level rises. It is particularly difficult to predict the consequences of anticipated climate change without knowledge of eco systems, rates of reef growth etc and how these will respond to the rate of sea level rise. Further tourism development under these circumstances requires study and monitoring in order to safeguard the natural resource base of the island.

### 5.3.7 Sector Management

Overall management of the sector will need to be improved. This covers

- Marketing management with the ATB.
- More control over the pace and scale of developments.
- Registration and licensing of tour operators.
- Upgrading of service standards.

- Quality assurance through standards and certification.
- Better integration with the community and economy.

To improve overall management of the sector, technical support will be required to implement the recommended programmes as outlined in Chs 11, 12 and 13. The technical support will include 'know-how' transfer, supplies and equipment, with an estimated cost of US\$5.5M.

**Table 5.30: Technical Support Requirements**

Programme	US\$
(i) STMP Project Management Unit	500,000
(ii) Strengthen Marketing Management within ATB	350,000
(iii) Strengthen Physical Planning Dept and Preparation of TDA plans	1,500,000
(iv) Support for Environmental Management Agency	350,000
(v) Support for Dept of Statistics to Implement CARTAC Recommendations	350,000
(vi) HRD Programme	1,500,000
(vii) Registration, Standards and Classification	350,000
(viii) Greening of Hotels	150,000
(ix) Economic Linkages	450,000
<b>TOTAL</b>	<b>5,500,000</b>

### 5.3.8 Economic Infrastructure

Roads: The poor condition of the principal roads in The Valley will need to be addressed particularly the upgrade of:

- The Carter Rey Boulevard (0.85km).
- The section of Albert Lake Drive from the NBA roundabout to the stoplight (0.40km).
- The Mahogany Tree Road (0.80km).

- The Wallblake Road (0.35km).
- The section of Coronation Avenue from the NBA roundabout to the North Side road junction (0.70km); and
- The road south of the Secretariat (0.35km).

The total length of the affected road sections is 3.45km.

In order to cater to the projected increase in the number of excursionists, improvements will also be needed to existing parking arrangements at Shoal Bay East and Sandy Ground as well as to feeder roads serving new resort/villa developments and new attractions such as Fountain Cavern.

Water Supply: The GOA is taking steps to ensure that water supplies will be able to meet total demand. Under the *Anguilla National Water Policy* (GOA, November 2010), it has been decided that new tourism-related projects shall derive a minimum of 20% (15% for existing tourism establishments) of their water requirements from the newly-established Water Corporation of Anguilla (WCA). Eventually, WCA anticipates to be in a position to deliver reliable water services to all tourism establishments. Construction of a new 500,000 gallon capacity desalination plant at Crocus Hill will help to augment the supply of piped water from the existing reverse osmosis desalination plant. However, under the high growth scenario, additional capacity will need to be provided by 2020 – either through expansion of the existing RO plants or construction of a new facility. Very large water using establishments will be encouraged to have backup water producing facilities to cater for their needs in times of emergency.

Electricity Generation: Availability of electricity supply is not and should not in the future be a constraint on the development of tourism. ANGLEC is committed to providing the necessary generating capacity by having sufficient plant installed in time to cater for required load-increases to meet the future demands of both the local and visitor populations. In 2009, installation of an additional generating set capable of producing another 5.4 MW of electricity was completed. Based on the assumption that past high rates of annual load-growth were as likely to continue, it had been

assumed that new generating plant of around 5 MW would need to be installed every two to three years. Under the medium growth scenario, at least two additional generating plants will be required by 2020. In addition, alternative sources of energy will need to be investigated e.g. wind energy at Corito and Windward Point.

### 5.3.9 Social Infrastructure

With upwards 5,000 immigrant workers and dependents foreseen under this scenario, there will be a requirement for additional housing and health services.

### 5.3.10 Capital Investment

In the absence of detailed feasibility studies, it is not possible to be precise about the level of capital investment required for the implementation of Scenario A. Consequently, the figures on Table 5.31 should be regarded as indicative of the magnitudes involved rather than precise estimates.

**Table 5.31: Capital Investment Requirements**

	US\$ (000s)
(i) Access Infrastructure	
- New airport to facilitate wide bodied long haul passenger jets	250,000
- new ferry terminal	15,000
(ii) Tourism Facilities	
- Additional 1,829 resort rooms	1,200,000
- Yacht marina, real estate, retail	30,000
(iii) Visitor Attractions	
- Product development	2,000
(iv) Economic Infrastructure	33,000
(v) Social Infrastructure	20,000
<b>TOTAL</b>	<b>1,550,000</b>

### 5.3.11 Consistency with Tourism Vision

The increase in tourist accommodation implied under Scenario C would have a major impact on the nature of Anguilla's tourism

product. The emphasis would change from low-density, up-market tourism to high-density and almost inevitably, lower yield tourism. Under these circumstances it would be difficult to maintain the Anguillian Tourism Vision of a destination offering the ultimate traditional holiday experience – peaceful relaxation, unhurried; an unquestioning acceptance by a warm and friendly people; a feeling of being safe and looked after in an environment of pampered luxury. A tranquil hideaway, with no mass tourism. A place where there are no pressures to do things; a place where time stands still.

#### 5.4 RECOMMENDED GROWTH SCENARIO

Based on this assessment, the low growth tourism development Scenario A is not considered sufficiently ambitious as the growth rate does not match the current pace and scale of accommodation development. The high growth tourism development Scenario C is considered too ambitious as it would change the nature of the Anguillian tourism product from low to high density and in all likelihood result in significant dislocations of the economic and social fabric of the country. The medium growth tourism development Scenario B, although challenging, represents what is considered to be the maximum achievable on a sustained basis over the next decade, consistent with maintaining the integrity of the Tourism Vision as outlined in Section 2.3.



## **PART II VISION AND DEVELOPMENT STRATEGY**

## 6. TOURISM VISION

### 6.1 FORUMLATION OF VISION

The formulation of the Tourism Vision for Anguilla is the result of a gradual, evolutionary and participatory process characterised by extensive consultation with stakeholders, involving public and tourism sector 'visioning' fora, group discussions and workshops. A web-site was also set up to facilitate the citizenry of Anguilla having an input into the formulation of the vision.

### 6.2 ANGUILLA'S UNIQUE QUALITIES

To succeed, tourism development must be grounded in the reality of what the island can support and secondly, must reflect what is unique about what Anguilla has to offer.

The feedback from the stakeholder Visioning Fora supported by the findings of the market survey undertaken among tour operators, travel agents, market & hotel representatives in the main source markets (US, Canada, UK, Germany, Italy, Puerto Rico), indicate that Anguilla's uniqueness lies in its:

- Pristine beaches and clean environment.
- High quality hotels and villas.
- World class cuisine.
- Peace and tranquillity.
- Security and safety.
- Friendly people.
- Relaxed pace of life – the way life used to be, with distinctive Caribbean flavour.

- Exclusivity – a private hideaway.

These are Anguilla's core strengths which must be maintained and enhanced.

### 6.3 THE ANGUILLIAN VACATION EXPERIENCE

Although many countries boast of having beautiful beaches, high quality resorts, world class cuisine, it is the distinct Anguillian experience which sets the country apart as a desirable vacation destination.

Anguilla offers the ultimate holiday experience – peaceful relaxation, unhurried; an unquestioning acceptance by a warm and friendly people; a feeling of being safe and looked after in an environment of pampered luxury. A place where there are no pressures to do things; a place where time stands still.

### 6.4 TOURISM VISION

Reflecting Anguilla's core strengths and responses/recommendations from stakeholders, such as

'We want Anguilla to be known as a world class destination.....'

'A premier destination of choice where guests come among family.....'

'A safe, clean and green environmental experience.....'

'A distinctive Caribbean flavour.....'

The following Vision has been formulated:

### **TOURISM VISION**

***'We are a premier Caribbean destination known for our world class beaches; pristine azure waters; top class resorts and restaurants; relaxed ambience; sense of place, peace and tranquillity in a safe setting among a friendly and hospitable people that take pride in their identity, cultural heritage and environment'.***

#### **6.5 REALISING THE TOURISM VISION**

Translating the vision into reality is the objective of the Sustainable Tourism Master Plan, its implementation resulting in a vibrant tourism industry as described under '*Anguilla Tourism 2020*'.

#### **ANGUILLA TOURISM 2020**

Over the past ten years, Anguilla has become increasingly known as a premier tourism destination with a warm and friendly welcome and clean and safe environment. This is complemented by excellent accommodation and service, outstanding beach, culinary and authentic cultural experiences with a distinctive Caribbean flavour.

Much of this is due to the commitment of all stakeholders to the implementation of the 2011 Sustainable Tourism Master Plan. Tourist arrivals have doubled with resulting benefits for all those dependent or linked to the tourism industry. The launch of the DFID Anguilla Challenge Fund at the beginning of the decade encouraged young entrepreneurs to develop tourism-related businesses, including services. Consequently, tourism is now the main growth engine of the local economy with the sector's direct and indirect contribution to Gross Domestic Product at about 64%.

Early on, there was recognition of the importance of the tourism sector and with the restoration of the State's finances, the budgetary allocation for tourism marketing and promotion - both in the existing main markets of North America, Europe and the Caribbean and more recently, in new emerging markets in Central and South America, was substantially increased. This has been whole heartedly supported by the private sector, including shared funding of joint promotions resulting new categories of tourist that are now being attracted to Anguilla following the opening of new high quality resorts.

Reflecting the increased demand, air and sea access was improved with airlines and ferry operators now enjoying higher load factors.

The airport runway was extended to 6,600 ft to accommodate both larger private jet aircrafts and medium-haul, intra-continental commercial passenger jets (B737s, A320s, Jet Blue and Insel air type aircraft) which is increasingly becoming the favoured mode of transport of the growing number of tourists to the island. In addition, the airport terminal was redeveloped and now has 'state-of-the-art' passenger facilities with retail, restaurants etc.

However, the new ferry terminal at Blowing Point accommodates still the great majority of visitors to the island.

Enhancement of both air and sea access and arrival procedures has added to the overall 5-star experience visitors to the island have come to expect and demand.

In the past 10 years, cruise tourism has increased with more calls by targeted boutique cruise lines. The number of yachts visiting the island has also increased following improvements at Road Bay and the development of Blowing Point marina/real estate and retail complex.

Existing hotels and villas now enjoy better room occupancy rates and tariffs, thus generating higher profit margins and more money for re-investment in property maintenance and enhancement. The addition of new golf resorts and spa developments have increased the island's appeal for the increasingly important golf and Health & Wellness niche markets. Anguilla is also now renowned for its pool of the finest rented villas in the Caribbean.

Sustainable development has been promoted through the designation of three Tourism Development Areas (TDAs) for the island in 2011 – West End TDA, Central TDA and East End TDA. Action Plans were drawn-up for each TDA to effect the integration of developers' proposals, environmental management plans, government plans and infrastructure programmes.

For the West End TDA, the implementation of the Action Plan has served to consolidate the area as the primary exclusive beach vacation destination not just in the Caribbean, but also worldwide. This was brought about by a number of measures and actions including regulations on development beach setbacks; limitations on further developments at particular beaches, such as Meads Bay; 'greening' of hotel/villa complexes; attractive road signage; completion of unfinished developments such as Temenos.

Recently the prospect of the development of an exclusive yacht marina catering for mega yachts at Shoal Bay West (originally the Altamer Expansion project) has been resurrected.

For the Central TDA, the implementation of the Action Plan has brought about a transformation. No longer a sleepy backwater, the TDA is now the island's hub of tourist/local social interaction. This has been brought about by a number of developments including a significant enhancement of Road Bay/Sandy Ground which now has a more lively village atmosphere and more extensive facilities for yachting since the transfer of the commercial port to Corito. Because of this sensitive development approach, the Salt Pond is still an important site for birding.

Across the island at Blowing Point, a new state of the art ferry terminal has been constructed, as the majority of visitors still arrive by ferry. Alongside, is the sensitively developed new yacht marina with real estate, retail, which with its range of restaurants and cafés has become the place to meet and greet.

The resort at Conch/Forest Bay is now well established, with 5\* hotel, villas, condominiums, a championship golf course and marina. With two championship golf courses, Anguilla is now considered to be one of the top Caribbean destinations for golf.

In The Valley, the major innovation has been the creation of a Heritage Centre at the Wallblake estate. With imaginative use of the historical estate buildings as art galleries, craft displays, the location of the national museum, with a genealogy centre, Wallblake has become a focal point to socialize for the tourist and local resident alike.

For the East TDA, the implementation of the Action Plan has served to focus development related to its natural and cultural heritage, capitalizing on the vibrant community life of the area. Island Harbour has been regenerated. A maritime museum has been established which is now a major attraction.



The waterfront has been improved and is now the focal point for the sort of interaction between visitors and local people that characterizes such places as Oistins in Barbados and Gros Illet in St. Lucia – famous throughout the Caribbean for their weekend ‘fish fries’ and ‘jump-ups’. Festivals are now a big attraction for Island Harbour. Building on the experience with the increasingly successful Festival del Mar, there are now a number of festivals throughout the year.

The restoration of the old East End School, along with the enhancement of the East End Pond Conservation Area, and the existing heritage museum has created a cluster of attractions which draws increasing visitor numbers to East End Village. Although the East End TDA capitalises on its natural and cultural heritage, this is not to the exclusion of the beach vacation developments, which in addition to Shoal Bay East, now include Savannah Bay, Jacobs Hide and Scrub Island.

The integrated coastal management plan and associated legislation for the island has resulted in the protection and promotion of this first class marine environment for the benefit of both recreational users (diving and yachting) and fishermen.

The product offer, while still based on the island’s world class beaches, excellent accommodation and fine dining experiences is more developed and diverse with an increased range of attractions and activities. In this respect, a major focus has been on the promotion of historical and archaeological sites and attractions. The Fountain Cavern, for example, was given appropriate recognition in 2015 as one of the most important Amerindian cultural sites in the north-eastern Caribbean and is now inscribed on the UNESCO World Heritage list.

An important element in the heritage programme has been the anchoring and linking of the sites by developing products that effectively integrate sites, attractions, events, activities and associated accommodation. The Nature and Heritage Trail launched in 2013 certainly was instrumental in the development and conservation of the island’s nature (both terrestrial and marine) and heritage sites through circuits and trails with appropriate signage and interpretative information and linkages. Wallblake Heritage Centre as part of The Valley town ‘make over’ now provides the hub for the Nature and Heritage Trail and is also the place to be and be seen in during the day and evening, where it’s vibrant and lively with a café culture attracting both locals and visitors.

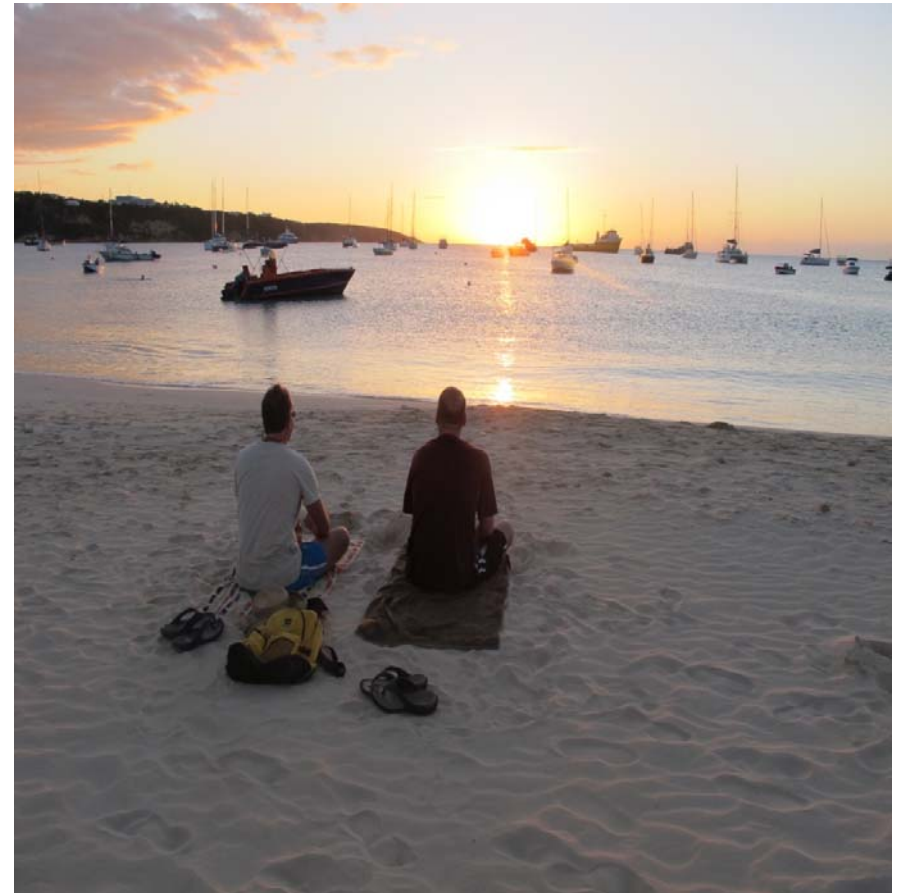
However, product development has covered more than just investment in new sites and attractions. As part of the overall strategy of promoting Anguilla as a premier up-market destination with excellent amenities and levels of service, Quality Standards now form an important part of the accommodation sector and other tourism-related businesses. Matching attention has been paid to human resource development. Through the development and implementation of both in-house and formal training programmes, Anguilla now provides quality service that exceeds customers’ expectations. Now, more than ever, young Anguillians are motivated to seek and find employment in the tourism sector – not just as waiters and chamber maids – but also increasingly in managerial positions leading to the assumption of leadership roles in the industry.

Attention has also been paid to the issue of social development. The banning of plastic bags in 2012 and the introduction of a monthly ‘community day’ has brought the community closer together, proud to maintain Anguilla’s reputation as a clean and green island destination.

Finally, in the year 2020, the tourism sector is now better organised and managed. The respective roles of the Ministry (policy), ATB (marketing) and AHTA (industry representation) have been clearly defined and fully harmonised. Both the Ministry and ATB have been provided with the additional resources – both human and financial – needed to carry out their responsibilities, while AHTA continues to play an active part in overall tourism development.

So, growth of the tourism sector has generated widespread benefits for all. For local residents (new business and job opportunities); for school leavers (the chance of a rewarding career); for tourists (improved access and more things to do and see); and for government (increased tax revenues). But this has not negatively impacted on what attracts people to Anguilla time and time again, namely, unparalleled luxury and the feeling of intimacy and bonding with local Anguillians in a safe, peaceful and beautiful environment.

Anguilla - for the discerning tourist.



## **7. GUIDING PRINCIPLES AND GROWTH STRATEGY**

### **7.1. NATIONAL TOURISM POLICY**

The value of tourism as a 'driver' of national economic growth is recognized by governments worldwide and awareness of this benefit has resulted in such governments seeking to expand their respective tourism sectors. In addition to this economic benefit, governments are recognizing the contribution that tourism can have on a destination's quality of life. Unregulated, mass tourism can have major negative impacts not only on the environment but also on the social cohesion of the country. On the other hand, well managed tourism can generate a range of economic, social and cultural benefits for all sectors of the economy.

The GOA recognizes that sustainable tourism – in terms of its economic, environmental, social and cultural impacts – can make valuable contributions to the overall well being of Anguilla through improving the quality of life of its citizens and protecting and enhancing the natural, heritage and cultural resources.

Reflecting these values, a draft Tourism Policy Statement was drawn-up in 2002 which elaborates a mission statement, guiding principles, general policy objectives and strategy for the development of the sector. Although the draft policy statement is unfinished, it nonetheless constitutes the basis of a more comprehensive document and it should be completed taking into account the recommendations of the STMP report.

#### **7.1.1 Mission Statement**

The wider objective is to develop the tourism sector as a national priority in a sustainable and acceptable manner, taking full advantage of global trends and developments so that tourism will significantly contribute to the continued improvement of quality of life in Anguilla whilst promoting the country's cultural and natural heritage.

#### **7.1.2 Guiding Principles**

To guide the responsible development of the tourism sector, eleven key principles are outlined, viz;

- Tourism development to be essentially private sector driven, with the role of government being to create the necessary enabling environment, which includes destination marketing in partnership with the private sector.
- Government to support and promote the conservation of the country's environment and natural resources.
- Active involvement of Anguillians in tourism to be encouraged, including community based tourism.
- Human resource development to be promoted.
- Regional opportunities to be capitalized upon to maximum extent possible.
- Linkages to be developed with other sectors of the economy.
- Promotion of a marketable identity, focused on selected niches and products to attract visitors and differentiate Anguilla from other destinations.
- Maintain and enhance Anguilla's image as the Caribbean's foremost up-market and quality destination.
- Develop and promote an unrivalled collection of outstanding and world renowned hotel, villa and other accommodation type properties.

- Anguilla to offer the highest possible standards of facilities, amenities and services and provide added value for money.
- Focus on 'low volume, high yield' tourism within the parameters of the island's limited absorptive capacity due to its relative small geographical size and limited infrastructure and labour force.

## 7.2 GROWTH STRATEGY

The fundamental mechanism to achieve this wider objective of obtaining sustainable benefits for the people of Anguilla by generating additional economic activity is by increasing tourism revenue. Without an increase in revenue there can be no growth in income; no improvement in employment; no addition to foreign exchange earnings or Government tax revenues; and no possibility of improving community benefits from tourism.

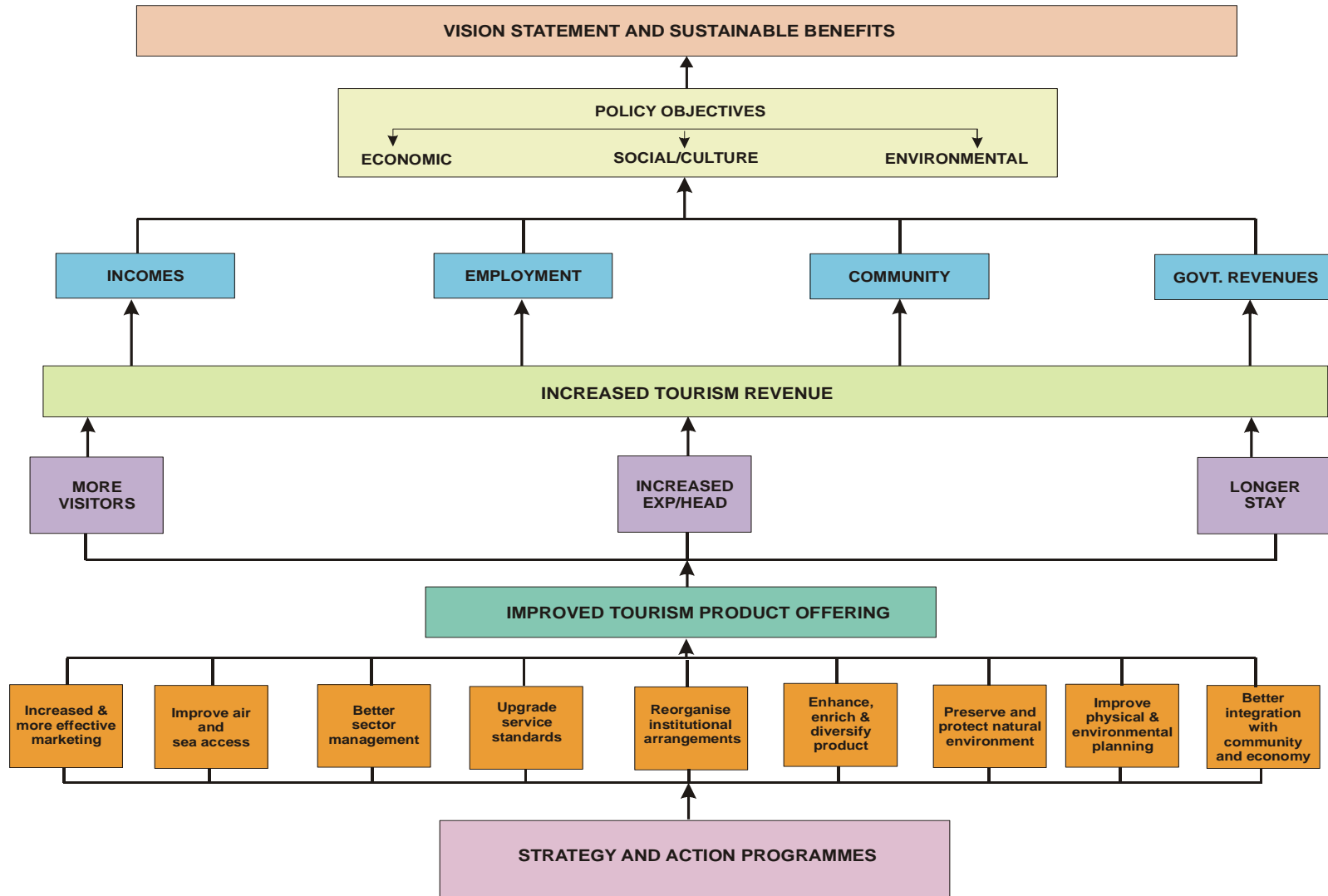
The process of securing these sustainable benefits from tourism revenue is shown on the following chart (Figure 7.1). To increase tourism revenue there must either be:

- More visitors.
- Increased per capita spending by visitors.
- Longer stays.
- Or some combination of the above.

To get more visitors, persuade them to stay longer and spend more money requires the implementation of nine strategic initiatives to deal with the issues confronting Anguilla's tourism sector, viz:

- Increased and more effective marketing
  - better planning
  - driven by market research
  - better use of information technology
  - responsive to emerging trends.
- Improve air and sea access
  - improved airport and seaport terminal facilities
  - proactive air and sea services development programme
  - streamlined and friendly immigration and customs procedures.
- Better sector management
  - improved regulatory environment
  - more control over pace and scale of development
  - better statistical database
  - registration and licensing of tourism enterprises
  - better marketing accountability
  - revise and finalise draft tourism policy document.
- Upgrade service standards
  - skills development programme for craft, supervisory and front line staff
  - capacity building for hospitality training institutes.
- Enhance, enrich and diversify the product
  - quality assurance through standards and certification
  - integrate cultural heritage
  - road signage improvements
  - downtown area redevelopment.
- Reorganise institutional arrangements
  - establish Ministry of Tourism, Transport & Heritage
  - STMP project management unit within Ministry
  - refocus Anguilla Tourist Board
  - establish Environmental Management Agency.

Figure 7.1: Achieving Sustainable Growth



- Improve physical and environmental planning
  - designate Tourism Development Areas
  - formulate management plans
  - strengthen Dept. of Physical Planning
  - physical master plan for island.
- Preserve and protect the natural environment
  - establish coastal management zone
  - develop framework to encourage sound environmental practices
  - promote 'greening' of hotels programme.
- Better integration with community and economy
  - improve linkages with other sectors of economy
  - improve tourism and environmental awareness.



## 8. DEVELOPMENT CONCEPT

Tourism is a fragmented and multifaceted industry that depends on the quality of a destination's natural and cultural heritage along with requiring active community support and participation, effective public-private sector partnerships as well as ongoing co-ordination. Piecemeal development of tourism in an unplanned and unregulated environment introduces risks for the natural environment and cultural heritage, apart from unnecessarily increasing economic costs. Only planned, orderly and controlled development of tourism can optimise the benefits and minimise potential adverse effects.

### 8.1 PLANNING FRAMEWORK

Several planning concepts are applied to the future development of tourism in Anguilla.

#### (i) Tourism Development Areas (TDA)

A TDA is an area that contains tourist attractions, accommodation and other tourist facilities and services, all well serviced by a road network. Designation of tourism management areas provides the basis for integrated planning of the area so that it functions efficiently and is relatively self-contained. From the planning perspective the importance of having designated TDAs is that they:

- Help create critical mass – making it economic to provide a range of facilities and services in an area.
- Diversify the product offer in a way that can be promoted to different niche markets, thereby facilitating product branding.

- Allow different forms of tourism development to co-exist – designating particular areas for nature tourism only, other areas for more intensive use.

We define three Tourism Development Areas – for Anguilla, viz West End, Central, and East End TDAs.

It is important to emphasise that the designation of TDAs does not imply zoning in any form. The TDAs are simply the frameworks for effective physical planning.

#### (ii) Tourism Centres

Within a TDA, it is often desirable to designate or establish a tourism centre. The purpose is to provide a concentration of facilities, services and information for tourists. This makes it easier for the public and the private sectors to develop these facilities and services. Blowing Point and Road Bay/Sandy Ground are obvious choices.

#### (iii) Tourism Clusters

In order to attract more tourists to an area and induce them to stay longer, as well as making it more convenient for travel organisers, various attractions can be clustered in one area. Combining several secondary attractions with a major attraction, for example, can create greater overall interest to the visitor. This clustering of attractions, without allowing undue congestion, may be applied to the areas of Island Harbour and East End Village.



**(iv) Dispersed v Concentrated Development**

It is very important for Anguilla to develop a product which effectively integrates the attraction component, as well as a variety of events and activities, with the provision of accommodation. Currently, most of the island's accommodation and restaurant facilities is located in the West End, as shown on Map 8.1.

A question arising during stakeholders meetings and the public visioning forum was whether development should continue to be concentrated in the West End and Central areas or generally dispersed throughout the island, particularly towards the East End. The argument in favour of increased dispersal was that Anguillians living in East End feel 'marginalised' from the tourism industry and are not benefiting as much as those in the Central and West End areas.

While recognising the validity of this argument, two factors have to be borne in mind when considering the issue of concentrated versus dispersed development on Anguilla. The first factor is the need to maintain and strengthen the 'core values' of Anguilla which emerged from the 'visioning' forums with stakeholders. As outlined in Chapter 6 earlier, these core values include the need to maintain an authentic natural setting.

The second factor is that the development of tourism facilities and attractions is private sector driven. Developers will only locate facilities and attractions in areas they consider to be attractive to potential clients and are financially viable.

That said, we feel that some dispersed development in the East End involving high end resorts, villas and guest houses within or close to existing communities, will provide benefits to both locals and visitors. Potential areas where resorts could be developed include Savannah Bay, Junk's Hole and Scrub Island.

**(v) Off-Shore Islands**

We do not envisage or recommend any further tourism-related development (apart from the existing facilities on Sandy Island, Prickly Pear East and potentially Scrub Island) in the period of the Plan, but would rather wish to see the strengthening and enforcement of existing legislation for the protected areas in the surrounding waters and foreshore of most of these islands.

Map 8.1: Spatial Distribution of Tourism Facilities



SUSTAINABLE TOURISM MASTER PLAN 2010 – 2020

## 8.2 DEVELOPMENT CONCEPT

Based on our assessment of the:

- Spatial distribution of tourism resources and facilities.
- Product/market match potential.
- Concentration/consolidation of development, and
- Quality of infrastructure.

on Anguilla, we are recommending a development concept which designates three Tourism Development Areas each with a distinct character reflecting its future development path, as shown on Map 8.2.

Boundaries of the TDAs will be defined along either administrative units or major topographical features. They will be areas in which Government policies and procedures on development of tourism and possible planning and development controls will apply to integrate tourism into the local environment and ensure the overall quality of the tourism products in the TDAs are maintained and enhanced.

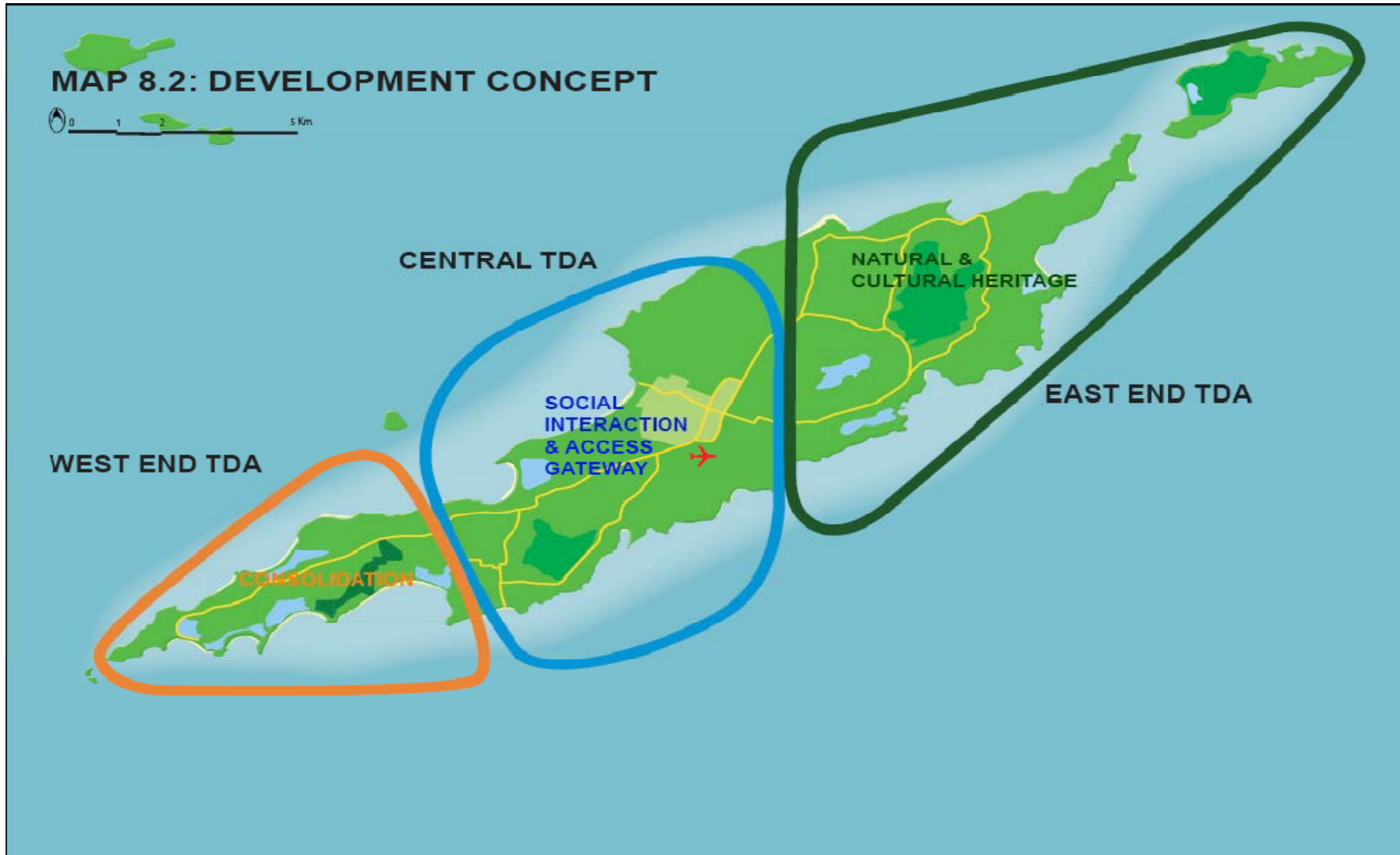
TDA	Character
West End	<ul style="list-style-type: none"> <li>• Exclusive beach developments</li> <li>• Golf</li> <li>• National park</li> </ul>
Central	<ul style="list-style-type: none"> <li>• Access gateway</li> <li>• Tourist/local social interaction</li> <li>• Marina/real estate</li> <li>• Resort development</li> </ul>
East End	<ul style="list-style-type: none"> <li>• Rural ambience.</li> <li>• Exclusive beach resort development.</li> <li>• Cultural heritage.</li> <li>• Community development.</li> </ul>

For each TDA, an Action Plan will be drawn up, the objectives of which are to:

- Protect and strengthen the existing product.
- Improve landscape and town/village scope features.
- Improve overall visitor experience.
- Indicate the limits of development.

Within each TDA area, specific plans will be drawn-up as appropriate.

Map 8.2: Development Concept



## **PART III PLAN, PROJECTS AND PROGRAMMES**

## **9. TOURISM DEVELOPMENT PLAN**

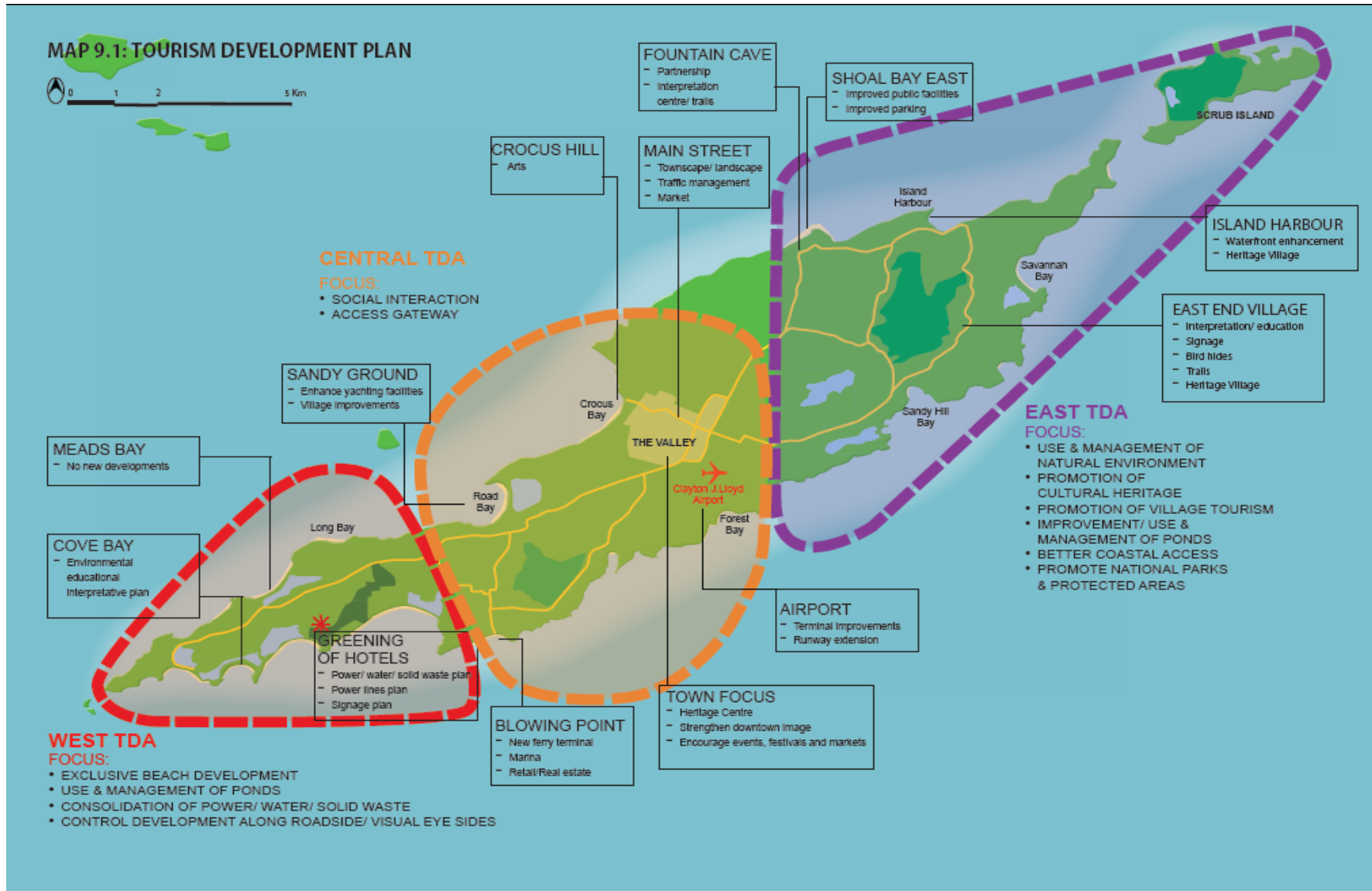
The tourism development concept (Ch. 8) has been elaborated into a tourism development plan – illustrated on Map 9.1, showing the spatial arrangement of the recommended developments and their relationship with the island's ecological resource base and infrastructure.

### **9.1 PURPOSE OF THE DEVELOPMENT PLAN**

The aim of the Development Plan is to provide a framework for appropriate types and scale of tourism development at the island level. The Plan identifies areas suitable for tourism development comprising natural and cultural resources, facilities and infrastructure. It should be noted that the success of an area as a tourism destination depends as much on the conservation and enhancement of the scenic beauty or cultural appeal of the sites as on development of specific facilities.

Proposed tourism developments are based on the development plans of private sector developers, in-field observations of present use, feedback from government departments and evaluation of potential opportunities and the tourism vision presented in Ch 6. Assessments of infrastructure requirements in individual areas are indicative.

Although the Plan is developed at the island wide level and is largely a top down approach, planning for tourism must take account of local issues and community participation, important components of the TDA development plans as recommended in Ch 8 previously.





## 9.2 WEST END TDA

### 9.2.1 Tourism Product

The tourism product of the West End TDA is characterized by:

- Some of the island's more attractive bays and beaches
  - Meads Bay, Shoal Bay West, Maunday's Bay, Cove Bay.
- Salt ponds
  - West End Pond, Cove Pond, Meads Bay Pond, Rendezvous Bay.
- Golf course at Temenos
  - 18 hole championship course.
- Exclusive hotel and villa resorts
  - Viceroy, Cap Juluica, Cove Castles, Malliouhana, Anacaona.
- Numerous restaurants, both high and medium priced.
- Private yacht club at Tiny Bay
  - small pier, little used.
- Private villas in hinterland of Tiny Bay.

### 9.2.2 Development Concept

For the West End TDA, the proposed development concept is the consolidation of the area as the primary exclusive beach vacation destination not just in the Caribbean, but also worldwide. This is to be brought about by a number of measures and actions including regulations on beach development setbacks; limitations on further developments at particular beaches, such as Meads Bay; 'greening' of hotel/villa complexes; attractive road signage; completion of unfinished developments such as Temenos.

### 9.2.3 Development Potential and Issues

#### ***Development Potential***

As shown on Map 9.2, the West End TDA is the area of choice for developers as evidenced by the location of proposed developments.

At present there are no marina facilities in the West End TDA. The proposed Altamer Expansion Project involved the development of Yacht Haven Grande Anguillan at Shoal Bay West, which would have been the island's first and only mega yacht marina able to berth yachts in excess of 300 feet with up to 20-foot draft. The marina would have had approximately 100 slips, one third of which would accommodate mega yachts. However, this project is said to be "now indefinitely on hold".

In addition there is some potential to create visitor attractions at the various salt ponds.

#### ***Development Issues***

- Beach erosion at Shoal Bay West, Meads Bay and Barnes Bay.
- Environmental degradation of salt ponds.
- Unfinished developments
  - Temenos villas at Merrywing Bay
  - Seychelles Villas at Meads Bay
  - Restaurant complex at Meads Bay.

Map 9.2: West End TDA

### WEST END TDA

KEY:

-  HOTEL
-  VILLAS
-  RESTAURANTS
-  GOLF COURSE
-  PROPOSED RESORT DEVELOPMENT
-  COVE BAY NATIONAL PARK



#### **9.2.4 Programme and Project Recommendations**

##### ***Sector Management***

- Enforcement of set-back regulations in relation to beach developments.
- Preparation of Action Plan for the area.

##### ***Environment Protection and Enhancement***

- Implementation of environment protection measures.
- 'Greening' of hotels programme.
- No new guesthouse/hotel/villa/restaurant developments at Meads Bay.

##### ***Development of Facilities***

- Encourage/promote completion of unfinished hotel/villa resorts and restaurants
  - Temenos, Seychelles Villas and Restaurant complex at Meads Bay.

##### ***Development of Visitor Attractions***

- Cove Bay National Park.

##### ***Development of Infrastructure***

- Road signage standardization.
- Upgrade road markings.



### 9.3 CENTRAL TDA

#### 9.3.1 Tourism Product

The tourism product of the Central TDA is characterized by:

- One of the island's most attractive natural bays – Road Bay
  - safe bay for yachting
  - 10 yacht moorings
- Small jetty to facilitate disembarking cruise passengers from tenders
  - larger pier to become available when commercial port moves to Corito.
- Number of restaurants and bars along Sandy Ground 'Strip'
  - creating a lively sense of place where visitors and locals mix.
- Road Bay Salt Pond.
- Blowing Point Ferry Terminal
  - entry/exit point for 82% of visitor arrivals.
- Approved developments at Forest Bay and Lockrum.
- Conference hotel (80 room Royal Caribbean) to open 2011.
- Tennis Academy.
- The Valley
  - primarily the business, government administration and retail centre. Although urban in character, relatively few people reside in the town. Consequently, it lacks a sense of place. This is not to say that The Valley is unattractive. It is. It has a quiet charm – a 'laid back' ambience. However, it lacks a central focal point –with cafes, retail etc where visitors and locals alike could relax, mingle.

- Crocus Bay
  - nearest beach to The Valley, is a quiet fishing community with good snorkeling and kayaking potential and boat trips to Little Bay, site of the newly-opened Pelican Trail and Water Sports attraction.
- Crocus Hill with a number of historic buildings dating from the colonial period, including the remains of the Old Court House and prison, as well as several chattel houses.
- Wallblake House, Anguilla's oldest surviving plantation house.

#### 9.3.2 Development Concept

The development concept for the Central TDA is to be the island's hub of tourist/local social interaction. This can be brought about by a number of developments including a significant enhancement of Road Bay/Sandy Ground to involve a more lively village atmosphere and more extensive facilities for yachting. With a sensitive development approach, the Salt Pond can still be an important site for birding.

At Blowing Point, a new state of the art ferry terminal is recommended, as the majority of visitors will still arrive by ferry. Alongside, is the possibility of developing a yacht marina with real estate and retail, which, with a range of restaurants and cafes, can become the place to meet and greet.








In The Valley, a significant visitor attraction would be the creation of a Heritage Centre at the Wallblake estate. With imaginative use of the historical estate buildings as art galleries, craft displays, the location of the national museum, and a genealogy centre, Wallblake could become a focal point for the visitor and resident alike.

A major innovation would be a downtown area redevelopment in The Valley as proposed by Morlens Architecture Services which fosters a sense of place and belonging through the creation of a vehicle free central plaza, ceremonial and cultural plazas, food halls, retail etc.

Map 9.3: Central TDA

### CENTRAL TDA

**KEY:**

-  HOTEL
-  VILLAS
-  RESTAURANTS
-  PROPOSED RESORT DEVELOPMENT
-  AIRPORT DEVELOPMENT
-  FERRY PORT DEVELOPMENT
-  IMPROVED MOORINGS
-  DOWNTOWN AREA DEVELOPMENT
-  WALLBLAKE HERITAGE CENTRE



### **9.3.3 Development Potential and Issues**

#### ***Development Concept and Potential***

- Improved yachting facilities at Sandy Ground.
- Marina/real estate at Blowing Point.
- Redevelopment of Blowing Point ferry terminal.
- Heritage Centre at Wallblake Estate, providing focal point for tourists/locals in The Valley.

#### ***Development Issues***

- Poor condition of roads in The Valley.
- Airport Terminal needs upgrading and runway lengthening.
- Unfinished developments.
- Ferry terminal inadequate for current and projected passenger traffic
  - building in poor repair.

### **9.3.4 Programme and Project Recommendations**

#### ***Sector Management***

- Preparation of Action Plan for TDA.
- Feasibility studies for marina facilities at Blowing Point or Little Bay.

#### ***Environment Protection and Enhancement***

- Enhancement of Sandy Ground Village
  - improved waterfront setting.

#### ***Development of Facilities***

- Improved jetty and mooring facilities for yachts at Road Bay.
- Improved facilities for 'boutique' cruise ships and passengers at Road Bay.
- 5\* hotel, villas, condominiums, championship golf course and marina development at Forest Bay.

#### ***Development of Visitor Attractions***

- Heritage Centre, including National Museum at Wallblake Estate.
- Crocus Hill Artist Quarters.
- Heritage Trail.

#### ***Infrastructure Development***

- Upgrading roads in The Valley.
- Road signage standardization.
- Improved road markings.
- Extension of airport runway.
- New Blowing Point ferry terminal.
- Yacht marina and associated real estate at Blowing Point.
- Enhanced mooring facilities for yachts and 'boutique' cruise ships at Road Bay.
- Downtown Area Redevelopment.

## 9.4 EAST END TDA

### 9.4.1 Tourism Product

The tourism product of the East End TDA is characterized by:

- A number of the island's more attractive beaches
  - Shoal Bay East, Savannah Bay.
- Salt Ponds
  - East End, Cauls, Bad Cox.
- Heritage attractions
  - Fountain Cave, Big Spring, Heritage Museum.
- Vibrant communities
  - Island Harbour, East End village.
- A number of hotel resorts and villas.
- A number of restaurants, both high and medium priced.

### 9.4.2 Development Concept

For the East TDA, the development concept is the strengthening of the area's natural and cultural heritage resource along with capitalizing on the vibrant community life of the area.

A maritime museum should be established at Island Harbour.

With improvements, the waterfront at Island Harbour could be the focal point for the sort of interaction between visitors and local people that characterizes such places as Oistins in Barbados and Gros Islet in St. Lucia – famous throughout the Caribbean for their weekend 'fish fries' and 'jump-ups'. The organization of more festivals will be a big attraction for Island Harbour.

The restoration of the old East End School, along with the enhancement of the East End Pond Conservation Area, and the existing heritage museum will create a cluster of attractions which will draw increasing visitor numbers to East End Village.

Although this TDA will capitalize on its natural and cultural heritage resources, this will not be to the exclusion of the beach vacation developments, which in addition to Shoal Bay East, could include Junks hole, Savannah Bay and Scrub Island.



Map 9.4: East End TDA



### 9.4.3 Development Potential and Issues

#### ***Development Potential***

- Island Harbour Village enhancement and regeneration.
- East End Village enhancement.
- Beach/golf/marina resort developments.

#### ***Development Issues***

- Unfinished developments.
- Sand Mining (e.g. at Sile Bay).

### 9.4.4 Programme and Project Recommendations

#### ***Sector Management***

- Preparation of Action Plan.
- Feasibility studies.

#### ***Environment Protection and Enhancement***

- Shoal Bay West enhancement.

#### ***Development of Facilities***

- New hotel development at Shoal Bay East (La Fontana) and Savannah bay approved project.

#### ***Development of Visitor Attractions***

- Island Harbour Village regeneration.
- Old East End School restoration.
- Fountain Cavern.
- Heritage Trail.
- Hiking and 4x4 Trails to Savannah Bay and Windward Point.
- Underwater Heritage.

#### ***Infrastructure Development***

- Road signage standardization.
- Upgrade road markings.



## 10. PROJECT PROFILES

The Tourism Development Plan, as outlined in Ch 9, indicates a number of projects, sites and attractions which have the potential for further developing and enhancing the Anguillian tourism product. These are indicated on Table 10.1 and illustrated on Map 10.1. The economic infrastructure projects (A1...A4) and the visitor attractions projects (C1.....C5) are primarily public sector/community projects whereas the tourism facilities projects (B1.....B14) are planned private sector projects involving hotels, villas, condominiums, golf courses and marinas. However, it should be noted that a number of these are now on hold, either temporarily or indefinitely, because of changed market and funding circumstances.

**Table 10.1: List of Projects, Sites and Attractions**

Map Ref	Type of Project	Site Location	Components/ Status
<b>A: Economic Infrastructure</b>			
A1	Airport Development	The Valley	<ul style="list-style-type: none"> <li>• Upgrade of terminal facilities</li> <li>• Extension of runway</li> </ul>
A2	Ferry Port Development	Blowing Point	<ul style="list-style-type: none"> <li>• New terminal building with retail facilities</li> </ul>
A3	Enhanced yacht and cruise facilities	Road Bay	<ul style="list-style-type: none"> <li>• Additional moorings for yachts, including mega-yachts</li> <li>• Repair and extension of existing small jetty</li> <li>• Enhanced toilet and shower facilities</li> </ul>
A4	Downtown Area Redevelopment	The Valley	<ul style="list-style-type: none"> <li>• Vehicle free central plaza</li> <li>• Ceremonial and cultural plazas</li> <li>• Food halls, retail</li> </ul>
<b>B: Tourism Facilities</b>			
B1	Resort Redevelopment/expansion	Meads Bay	<ul style="list-style-type: none"> <li>• 75 rooms: Indefinitely on hold</li> </ul>
B2	New Resort Development	Meads Bay	<ul style="list-style-type: none"> <li>• 350 rooms: Temporarily on hold</li> </ul>
B3	Resort Expansion	Shoal Bay West	<ul style="list-style-type: none"> <li>• Indefinitely on hold</li> </ul>
B4	Resort Redevelopment/Expansion	Maunday's Bay	<ul style="list-style-type: none"> <li>• 255 rooms: Temporarily on hold</li> </ul>
B5	New Resort Development	Merrywing Bay	<ul style="list-style-type: none"> <li>• 750 rooms of which 525 in rental pool: Temporarily on hold</li> </ul>
B6	Resort Redevelopment/expansion	Rendezvous Bay	<ul style="list-style-type: none"> <li>• 450 rooms: Indefinitely on hold</li> </ul>
B7	Condo/Villa Development	Lockrum	<ul style="list-style-type: none"> <li>• 146 rooms: Under development</li> </ul>
B8	New Hotel Development	George Hill	<ul style="list-style-type: none"> <li>• 80 rooms: Nearing completion</li> </ul>
B9	New Resort Development	Conch Bay/Forest Bay	<ul style="list-style-type: none"> <li>• Up to 1,500 rooms: Under development</li> </ul>
B10	Resort Redevelopment/Expansion Condominiums	Shoal Bay East	<ul style="list-style-type: none"> <li>• Temporarily on hold</li> <li>• 24 rooms: Under development</li> </ul>
B11	New Resort Development	Shoal Bay East	<ul style="list-style-type: none"> <li>• 148 rooms: Under development</li> </ul>
B12	New Resort Development	Savannah Bay	<ul style="list-style-type: none"> <li>• Indefinitely on hold</li> </ul>
B13	New Resort Development	Scrub Island	<ul style="list-style-type: none"> <li>• Proposal stage</li> </ul>
B14	Yacht Marina and associated real estate/ retail development	Blowing Point	<ul style="list-style-type: none"> <li>• Yacht marina with about 125 'slips'</li> <li>• Facilities for provisioning</li> </ul>
<b>C: Visitor Attractions</b>			
C1	Cove Bay National Park	Cove Bay	<ul style="list-style-type: none"> <li>• Sand dune conservation</li> <li>• Public recreational facilities</li> </ul>
C2	Wallblake House Heritage Centre	The Valley	<ul style="list-style-type: none"> <li>• Further development as heritage home with period furniture, paintings, photographs, ethnographic displays, plantation history, etc</li> <li>• New national museum</li> <li>• Arts and crafts shops in relocated/restored chattel houses</li> <li>• Genealogy/family reunions research centre</li> </ul>
C3	Island Harbour Enhancement and Regeneration	Island Harbour	<ul style="list-style-type: none"> <li>• Waterfront enhancement/redevelopment</li> <li>• Marine Parks Information/Visitor Centre (also incorporating a Maritime Museum)</li> <li>• Further promotion of Festival del Mar and other events</li> </ul>
C4	Fountain Cavern	Shoal Bay East	<ul style="list-style-type: none"> <li>• Enhanced access and other visitor facilities (as part of management plan)</li> <li>• Visitor/interpretative centre</li> <li>• Arawak house</li> <li>• Retail/crafts</li> </ul>
C5	Old East End School	East End	<ul style="list-style-type: none"> <li>• Interpretative centre at restored Old School building</li> <li>• Upgrade pond for bird watching</li> </ul>

Map 10.1: Identified Sites for Potential Product Development



## 10.1 INFRASTRUCTURE

### 10.1.1 Upgrading of Airport Terminal Facilities

Clayton J. Lloyd International Airport is located just south of The Valley. With a runway length of 5,462ft (1,665m), the airport accommodates private jet service from the Americas and turbo-prop service from the north east Caribbean, including St. Maarten. It is the access point for about a quarter of stay-over arrivals into Anguilla.

The airport terminal has six check-in counters, security screening, departure lounge and restaurant. The capacity of the terminal is adequate for the existing volume of passenger traffic and there are sufficient car-parking spaces.

#### **Content**

Physical improvements required are in respect of the

- Refurbishment of the existing male and female toilets.
- Repairs to the roof of the terminal building.

#### **Estimated Cost**

The estimated cost of implementing the physical improvements at the terminal building is about US\$ 50,000.

#### **Action**

The project to be implemented by a private contractor working under the supervision of the Air and Sea Ports Authority.





### **10.1.2 Extension of Runway to Facilitate Private and Commercial Passenger Jet Aircraft**

#### ***(i) Larger Private Jet Aircraft***

As discussed in the Interim Report and Ch. 5 earlier, there is need to extend the runway by 30 feet to better accommodate the operating requirements of the larger private jet aircraft types. NetJets has requested this additional 30ft of runway to accommodate its larger private jets especially, the Gulfstream IV and V. However, any such extension will be a relatively costly exercise given the topography of the land surrounding the Airport.

The Airport administration estimates a minimum cost of US\$700,000 but also notes that the Airport is running at a deficit. A loan of US\$700,000 over say five (5) years at 8% interest will require an annual payment of c.a. US\$196,000. Since this payment will likely have to be made by the Government, the critical question is how many incremental private jet flights per annum will generate additional government income of US\$196,000 from say landing and parking fees, fuel taxes, taxes generated from the expenditure of the tourists arriving on the additional flights.

Moreover, an important consideration is to what extent is NetJets committed to marketing Anguilla to its world-wide clients, especially in countercyclical geographic areas, including the BRIC countries where billionaires are being created at the fastest rate in the world, so as to help generate the additional business.

#### ***Content***

- Detailed engineering and cost/benefit study necessary first step.

#### ***Estimated Cost***

- About US\$1,000,000 for the 30ft runway extension, including
- About US\$200,000 for Physical and Economic/ Financial Feasibility Study.

#### ***(ii) Facilitating Commercial Passenger Jets***

Anguilla's air access is dependent upon its nearby regional international gateways. A key policy determination is whether this dependence is in the best interest of Anguilla or whether it should strive for independence by either

- a) Extending the existing runway to a minimum of 6,600ft to accommodate intra-continental commercial jet services (B-737s, A320s, Jet Blue and Insel Air type aircraft), or
- b) Building a new airport with a minimum runway length of 7,500ft to accommodate inter-continental jet services (B747s etc).

With the cost of building a new airport with a runway length of 9,000ft likely to be in the region of US\$250M, Anguilla's more cost effective option would be an extension of the existing runway to 6,600ft along with improvements to the terminal facilities.

#### ***Content***

- Detailed engineering and cost/benefit study necessary should be undertaken, a component of which would be the cost/benefit assessment on the extension of the runway to facilitate private jet demand.



### 10.1.3 **New Ferry Terminal Building at Blowing Point**

The main passenger port, which also handles some cargo, is located at Blowing Point. It is currently the access point for 84% of visitor arrivals into Anguilla. An assessment of Blowing Point Port terminal and facilities is contained in the Blowing Point Port Master Plan (2008).\*



**Port Management Building, Blowing Point**

\*Port Master Plan (Prepared for Government of Anguilla and Caribbean Development Bank, Jacobs Consultancy Canada, February 2008)

Development issues, identified in the Blowing Point Master Plan and by the Consultant, are as follows:

- The existing terminal is inadequate in size and quality to meet today's requirements.
- Parking provision is insufficient. Ad hoc parking facilities have resulted on neighbouring privately owned lands.
- The current septic system for the processing of wastewater is inadequate for the current and long term development of the Port facilities.
- Potable water is available but in limited supply.
- The image of the Port from the sea is modest with little 'sense of place'.
- The image of the Port from the landside is poor, disorderly and crowded.
- The appearance and size of the current facility is not supportive of Government's strategy to attract the high-end tourist.
- The current draft island wide zoning plan has not yet been approved by government, and therefore limits proper control for the development of the Blowing Point as an economic hub working in close collaboration with the Port.

#### **Content**

The main proposal is for the construction of a new Ferry Terminal at Blowing Point.

In the Port Master Plan (2008), two design options were developed to meet the requirement for a new 2,353 sq. metre terminal that would house: Port Management, Immigration, Customs, departure lounge, security, port health, ticket sales, baggage handling system, restaurant and concessions. The design intentions reflected in both options are to:

- *“Enhance the arriving and departing experience of passengers through a spacious, modern and attractive facility.*
- *Provide a focal point for the future commercial development of Blowing Point community.*
- *Acknowledge the possibility of high storm surge experienced during hurricane season by raising the building above the jetty level.*
- *Adopt architectural styles in the designs that relate to Anguilla and the Caribbean.*
- *Use environmentally friendly and energy saving systems.*
- *Relate to the three recently completed jetties.*
- *Create a clean, organised and beautiful building that is more supportive of high-end tourism. ”*

Improved parking arrangements (including adequate space for cars of persons making day visits to St. Maarten/St. Martin) would also form part of the project.



ANGUILLA, BLOWING POINT PORT MASTER PLAN

*A model of the Port Master Plan’s preferred option is shown above. We believe that the design does not reflect an architectural style that relates to Anguilla or the Caribbean, and in our opinion should be re-visited.*

#### **Estimated Cost**

Based on 2008 prices, construction costs were estimated in the Master Plan at US\$13.4 million, increased by a factor of 15% to cover detailed design, tendering and management, and construction supervision. In today’s prices, the cost is likely to be about US\$15 million.

#### **Action**

Updated and revised technical, financial and economic feasibility study.

### 10.1.4 Downtown Area Development

The Valley has developed in an ad hoc manner making the place confused and unattractive, lacking

- Character/a sense of place.
- Space/place for cultural/social gatherings and ceremonial events.
- Public amenities and facilities.

#### **Context**

Morlens Architectural Services have developed a Downtown Area Development concept which

- Creates built forms that act as landmarks.
- Foster a sense of place and belonging.
- Creates ceremonial and social plazas.
- Establishes pedestrian areas.
- Includes food halls, cafes, retail.

Within the area banded by Carter Rey Blvd, Mahogany Tree Rd, Wallblake Rd and Albert Lake Rd.

#### **Action**

Preparation of Downtown Area Development Action Plan.



Courtesy of Morlens Architectural Services

## 10.2 TOURISM FACILITIES

### 10.2.1 Resort Developments

Table 10.1 lists the planned/proposed resort developments involving hotels, villas and condominiums. Although the planned/proposed number of rooms to be constructed are indicated, it is not clear as to what breakdown between hotel, villa and condominium rooms is planned/proposed.

Currently, as shown on Table 10.2, the breakdown between hotel and villa/condominium rooms is about 44:56, compared with a 63:37 distribution some 10 years ago. On the basis of the full-build out of the resorts currently under construction and in pipeline (Ch. 3), the proportion of hotel rooms is likely to further decrease.

**Table 10.2: Distribution of Rooms Between Hotels and Villas/Condominiums**

Rooms in	2000	2010
	%	%
Hotels/Guesthouses	63	44
Villas/Condos	37	56
<b>TOTAL</b>	<b>100</b>	<b>100</b>
<b>TOTAL ROOMS</b>	<b>1,122</b>	<b>1,621</b>

The distribution between hotel and villa/condominium rooms is important since it will affect the character of Anguillian tourism product and have marketing, social and economic implications.

### *Implications for a Successful Hotel Resort Destination*

- High quality service.
- Maintenance of properties.
- Things to see-and-do in resort (golf etc).
- Outstanding location (pristine beaches etc).
- Spa and range of restaurants.
- Good national and resort web-sites.
- Need brand names.
- In addition to hotel resorts, also need boutique hotels.

### *Implications for Successful Villa Destination*

- Good infrastructure of roads/utilities etc.
- Meeting places – plazas, where people can go.
- Housekeeping and maintenance services.
- Good security.
- Reasonably priced car rental.
- Focus on FIT market.
- World class web-site.
- More destination marketing.
- Attractions – heritage sites etc.
- Meet and greet services.

**Hotels v Villas – Macro Economic Implications**

- Hotels
  - more jobs
  - smaller environmental footprint
  - higher level skills/careers
  - more tax to government
  - employ local services.
- Villas
  - greater guest loyalty
  - employ local services
  - less employment/less immigration
  - security bigger problem
  - higher end clientele more likely.

**What the Market Wants**

As part of our survey among market representatives, tour operators, travel agents in Anguilla’s major source markets, respondents were asked to indicate the type of accommodation preferred by their clients. The responses are as follows:

Market	Hotel %	Villa Resort %	Individual Villa %	Total
US	50	35	15	100
Canada	60	15	25	100
UK	55	20	25	100

The findings suggest a balance between hotels and villas/condominiums, with a slight majority favouring hotels.

**10.2.2 Yachting**

Conveniently located at the north-eastern extremity of the chain of eastern Caribbean islands, Anguilla is an ideal halt for vessels cruising the Caribbean. It is also conveniently situated at a distance of only seven nautical miles from St. Martin making it also an attractive destination for charter vessels.

Yachting has been identified in the Interim Report as potentially an important tourism growth sector for Anguilla. For this to happen, the most urgent issues that need to be addressed are:

- The lack of marina facilities, particularly for larger yachts; and.
- The lack of boatyard, chandlery, water/fuel and other ancillary facilities for visiting yachts (which are normally found at, or close to, marinas).

Major yachting centres, such as St. Martin/St. Maarten (17 marinas) and the British Virgin Islands (7 marinas), are well equipped with such facilities. .

A number of possible marina sites have been identified over the years. Two locations stand out: Road Bay (which is the presently the main yachting centre) and Blowing Point (which, although on the windward side of the island, has the advantage of directly facing St. Martin/St. Maarten whence the great majority of visiting yachts originate). In addition, both sites are close to existing Customs and Immigration clearance facilities.

Both locations have the potential to become major magnets for visiting yachts and other visitors, if appropriately developed and presented, but (based on discussions with local sailing industry representatives) a marina in Anguilla need not be as large as those in St. Martin/St. Maarten. Finally, it should be appreciated that marinas are almost invariably developed as part of mixed ventures, such as hotels or resort communities which largely depend upon tourism demand rather than yachtsmen to be successful.

**(i) Yacht Marina at Blowing Point**

Blowing Point has the advantage of directly facing St. Martin/St. Maarten whence the great majority of visiting yachts originate. In addition, the proposed site at Blowing Point is close to existing Customs and Immigration clearance facilities.

The location has the potential to become a major magnet for visiting yachts and other visitors, if appropriately developed and presented.

**Content**

The main proposal is for

- A 125-berth marina to provide facilities for 50 large yachts and around 75 smaller vessels.
- A floating or fixed dinghy dock.
- A marine complex providing repair, chandlery, fuel and other facilities, particularly for yachts.
- An associated hotel (50-80 rooms) and condominium development (80-100 units).
- A commercial centre offering indoor and outdoor shopping experiences with on site food and beverage outlets, mini-market, ATM, toilets, taxi service, etc.

**Estimated Cost**

The estimated cost will depend upon the results of a detailed feasibility study with the inclusion of real estate, costs could be in the region of US\$30M.

**Action**

GOA (Ministry FEDICT) and the Air & Seaports Authority are actively seeking a developer to undertake a marina project at Blowing Point and are understood to be open to different joint venture concepts and arrangements.

**(ii) Yachting Facilities at Road Bay**

The most popular anchorage is at Road Bay which was visited by 3,000 yachts (with 20,000 persons on board) in 2010.

We do not believe that this is a suitable location for a yacht marina – both for environmental and aesthetic reasons. Construction of groynes and other marina foundations would most likely affect the present circulation of water in the bay with resultant negative impacts both on the existing beach and even the village itself, while any real estate development could spoil the natural setting of the existing beautiful sweep of the bay.

Instead we are recommending that the existing facilities and services for visiting yachts – and the much smaller number of ‘boutique’ cruise ships – should be enhanced.

With this proposed *discreet* development approach, the salt pond would continue to be an important site for bird watching.

**Content**

- Additional moorings (15) for yachts, plus 2 – 3 for mega-yachts.
- Repair, enhancement (e.g. more cleats) and extension of existing small jetty by about 20 feet to accommodate yacht dinghies, smaller cruise ship tenders and other users.



- Enhanced toilet and shower facilities for yacht and cruise visitors (as well as other visitors to Road Bay beach).

**Estimated Cost**

The cost of implementing the recommended actions is estimated at US\$50,000.

**Action**

FEDICT to prepare a development brief in association with the ASPA, and the DF&MR.

**10.3 VISITOR ATTRACTIONS**

**10.3.1 Island Harbour Enhancement and Regeneration**

The exceptionally picturesque village of Island Harbour had a district population of 855 persons (partly of Irish descent) at the 2001 Census, of which 439 persons resided in Island Harbour and Shoal Bay villages. It is the island's main fishing centre, with over 100 boats. The considerable tourism potential is underdeveloped apart from some holiday villas and restaurants (including the offshore Scilly Cay). In recent years, Island Harbour has lost ground to Sandy Ground as the island's most popular place for weekend 'partying'.

In an effort to revive its fortunes, the annual Festival del Mar was inaugurated in 2008. Deep-sea fishing tournaments, boat races, culinary competitions, etc are held over two days at the Easter weekend, attracting large crowds from all over the island, including some visitors.



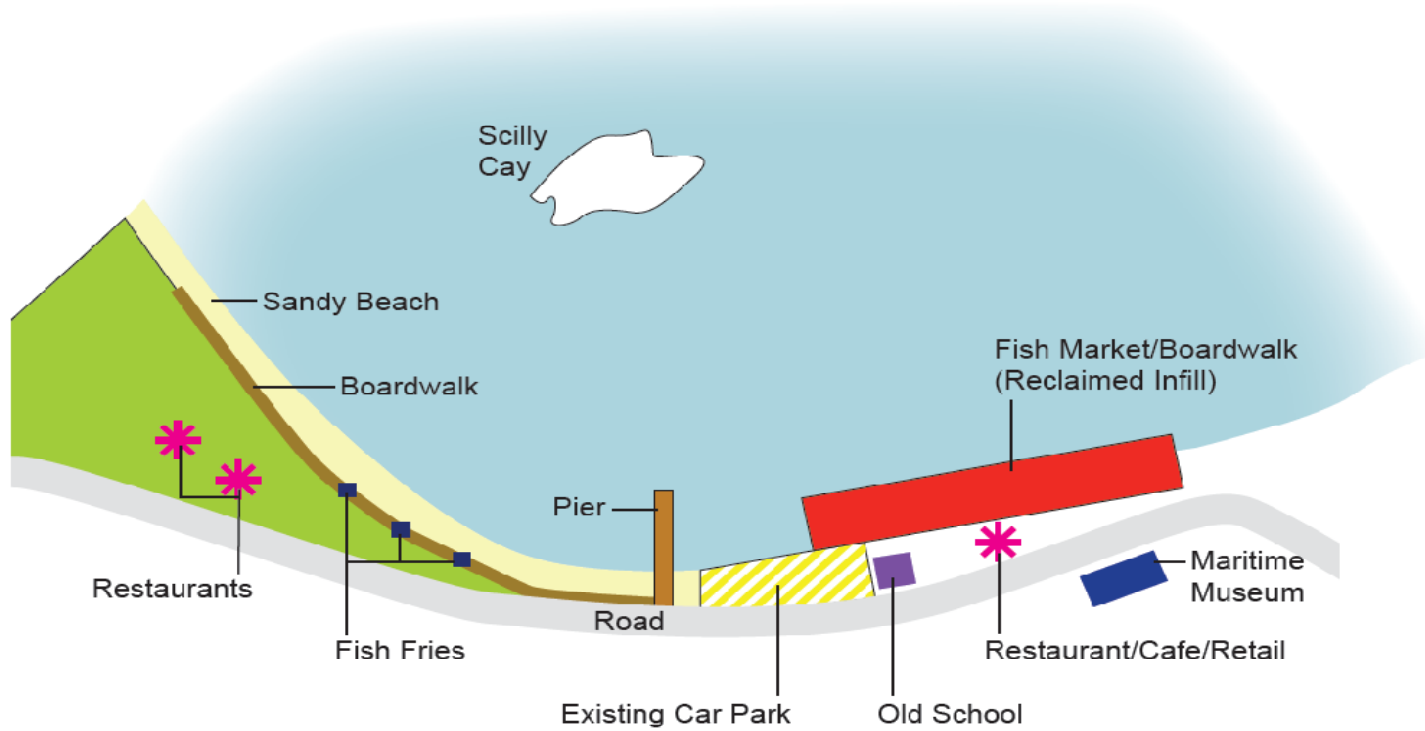
**Festival del Mar 2009**

However, it is only during this once-a-year event that Island Harbour comes to life. For the rest of the year, tourism-related activity is low key, with little opportunity for local fishermen to sell their catch to visitors.

At a meeting with community representatives (mainly fishermen), a number of suggestions were put forward as to how Island Harbour could be made more attractive for visitors and locals alike. Chief among these is the need for the implementation of measures to enhance the waterfront which currently presents a neglected and untidy appearance with no proper amenities for either buying or selling fish and craft items and where, at present, fishermen cannot tie up their boats. This is partly because the water is too shallow. Implementation of the recommended improvements would enable Island Harbour to develop the sort of interaction between visitors and local people that characterizes such places as Oistins in Barbados and Gros Islet in St. Lucia – famous throughout the region for their weekend 'fish fries' and 'jump-ups'.



Fig 10.1: ISLAND HARBOUR ENHANCEMENT AND REGENERATION



### **Content**

The proposed enhancement and development include the following elements:

- Enhancement of waterfront with a boardwalk in front.
- Improved pier/jetty and parking facilities.
- Enhancement of nearby 'Big Spring' Arawak site.
- Further promotion and possible re-naming of Festival del Mar.
- Establishment of a Marine Parks Information/Visitor Centre to promote good diving, fishing practices, conservation of the sea and the eco tone/coastal zone management. The visitor centre will include a Maritime Museum, (featuring the island's fishing and boatbuilding tradition) and possible HQ for a new Coastal Zone Management Unit (as a division of the Department of Environment).
- Technical assistance to help establish a Fishermen's Co-operative.

### **Estimated Cost**

To be determined after action plan has been approved by Steering Group.

### **Action**

The implementation of the project would be overseen by a Steering Group comprising representatives of the Department of Fisheries, Department of Environment, Festival del Mar Committee and other village organisations, with assistance from ATB and private sector sponsors. One of its first tasks will be to determine an action plan for implementation of the project.

### **10.3.2 Old East End School**

The *Old East End School (built in 1917)* was Anguilla's first government-funded school building. The 150 sq. ft. single room was constructed in the traditional style of the period, with a shingled twin-gabled roof and shingled sides. In 1918, a second classroom was added to the western side of the building and in 1950, a platform/stage was constructed on the eastern side of the main hall.

The school played an influential role in shaping the East End community and the nation as a whole (producing many of the leaders of the Anguilla Revolution of 1967) until it closed its doors in 1974. Since its closure, this historic building has been neglected and is now in an advanced state of disrepair.

In 2005, the Old East End School was vested in the Anguilla National Trust (ANT). Since then, an Old East End School Restoration Committee (with 13 community members and chaired by ANT) has been formed. The Committee, ANT and other stakeholders recognize the historic importance of the building and the need to restore it to its original state.

It is envisaged that, once restored, this building will serve as an interpretation centre for learning about Anguilla's rich natural, cultural, and historic resources. Located adjacent to the existing Heritage Museum and directly across from the East End Pond Conservation Area (also vested in ANT), the restored Old East End School can be the fulcrum of a *cluster* of attractions that will draw increased numbers of visitors (as well as local Anguillans) to East End village.

It can also be used to hold evening classes for local residents, including some tourism-related courses (tour guiding, language skills, handicraft production etc.).



**Old East End School**

**Content**

As set out in a Concept Note prepared by ANT, the restoration work will encompass repairs to the interior and exterior of the building and may be extended to include related landscape features, the building's site, and environment as well as attached, adjacent, or related new construction.

It has been agreed by members of the Committee that, while some repair or alteration of the building will be needed to provide for contemporary use, repairs and/or alterations of the building should not damage or destroy materials, features, or finishes that are important in defining the building's historic character.

The restoration project will be completed in two phases - the first phase focusing on the restoration of the actual building and the second phase on the conversion of the building into a functional interpretation centre for natural and cultural history.

**Estimated Cost**

The cost of the total project is estimated at US\$250,000.

**Management**

The project would be implemented by the National Trust and the Old East End School Restoration Committee, via a local contractor.

**10.3.3 Wallblake House Heritage Centre**

As shown on the map, the Wallblake Estate comprises about 2.5ha.

Wallblake House itself, built in 1787, is the oldest and only surviving plantation house in Anguilla. It is one of the few plantation houses in the Caribbean where the entire complex of buildings, including the kitchen, stable and workers quarters, have survived virtually intact.

In 1959, the sole heiress of the Wallblake Estate donated the house and property to the Roman Catholic Church which continues to own it till this day. The original plantation main and outbuildings were restored in 2004 with fund-raising support from the newly-formed Wallblake House Trust.





The house is open to the public (with a voluntary curator) while the grounds are used for events such as the St. Gerard's annual Garden Party, the annual Flower and Garden Show organized by the Anguilla Beautification Club etc. A new church, dedicated in 1966, replaced the old St. Gerard's which is now used for meetings and small conferences, while Wallblake House itself is included as an important place to visit on the new Anguilla Heritage Trail.



Both the Anguilla Heritage Trail Committee and the Wallblake House Trust wish to see this property developed as a centre for cultural, social and educational events for the entire island community. It could also serve as the location for a new National Museum (Anguilla is the only Caribbean territory that lacks one).

Wallblake House could become one of the main 'attractors' at the start of the Heritage Trail, with the other at Island Harbour (including outreach to Fountain Cavern and East End village).



## **Content**

Proposed development includes the following elements:

- Development of an expanded Wallblake House as a National Museum which, inter alia, would house the many artefacts from archaeological excavations that are now held in various buildings around the island. It would also provide a place of secure storage for Anguilla's national archives.
- Establishment of a heritage village and meeting place incorporating re-located chattel houses (which are in danger of rotting away despite past AAHS campaign to save them).
- Further development as heritage home with period furniture, paintings, photographs, ethnographic displays, plantation history, etc.
- Establishment of a Genealogy/Family Reunions research centre.
- The Anguilla Arts & Crafts Centre would be re-located here.

To make the project a success, a programme of events will also need to be initiated.

## **Action**

The project would be implemented under the joint direction of the Roman Catholic Diocese, the Wallblake House Trust and the Anguilla Heritage Trail Committee, with other representatives co-opted as appropriate.

## **Estimated Cost**

To be determined after action plan has been drawn up and approved by Steering Group with assistance of Technical Adviser.

### **10.3.4 Fountain Cavern National Park, Shoal Bay East**

Fountain Cavern - one of 19 Amerindian sites identified by an archaeological survey in 1979 – is considered to be the most important archaeological site on the island. The cavern was a ceremonial site for the Arawaks, which explains the large number of pre-Colombian petroglyphs and the head (carved from a stalagmite) which is thought to depict *Jocahu* who was the chief Arawak deity. It has been nominated by the UK government for UNESCO World Heritage site listing.

Fountain Cavern is presently under the care of the Anguilla National Trust. Access is strictly controlled to prevent theft or violation of the carvings inside. The cavern is entered down an iron ladder into a 20m deep two-chamber cave.



The historical significance of the Fountain Cavern to Anguilla and the wider region has led to the decision by the GOA to develop a National Park at this site (comprising some 14.46 acres) which would have the Fountain Cavern as the main focus. The idea is to develop the park so that the story of the Fountain Cavern can be told as broadly as possible incorporating the natural and cultural context. Other Amerindian sites (including the nearby Big Spring

Heritage Site) would form part of linked educational tours which would provide a comprehensive overview of Amerindian culture in Anguilla and the region.

No development work has yet been undertaken on this project. Care needs to be taken to ensure that the integrity of the cavern and context will be preserved both during and after any development.

### **Content**

The proposed development of Fountain Cavern National Park includes the following elements:

- A new, safer entrance (but this should preserve the sense of awe and excitement that descent into the depths of the cavern currently generates): a somewhat more 'user friendly' version of the existing ladder (with proper support rails); visitors who are not prepared to "risk" the descent would be able to take a virtual tour at the Visitor Centre.
- Internal lighting (e.g. flash lights to add to the experience) within the Cavern and a viewing platform (or other arrangements) to permit closer viewing of the petroglyphs.
- A Visitor Centre, emphasizing the pre-Columbian story of the Taino Arawaks, including their art, myths, artefacts, food acquisition and use, trade, and cultural evolution up to the time of their disappearance from the island.

Consideration should also be given to the construction of replicas of Arawak houses - perhaps like a scaled down version of the *Kalinago Barana Autê* (Carib Model Village) in Dominica - also offering visitors the opportunity to stay the night in a basic unit, experiencing life as it once was. This could be joint managed by the La Fontana hotel and have links to hotels in the West End.



***Kalinago Barana Autê (Carib Model Village), Dominica***

### **Estimated Cost**

It is not possible to estimate costs until the development plan for Fountain Cavern National Park has been approved. The project will require funding support from outside donors. This task will be made much easier if the Fountain Cavern is successful in gaining World Heritage status. The owners of La Fontana Resort may also be willing to lend financial or other forms of support.

### **Action**

It is assumed that the existing (or a reconvened) Fountain Cavern National Park Committee would oversee the development and implementation of the project, using a local contractor to carry out the construction works. It is understood that the National Trust is preparing a Management Plan which is expected to be completed by mid-2011.

### **10.3.5 Cove Bay National Park**

Located on the West End of Anguilla, Cove Bay is a long sandy white beach situated midway between Rendezvous Bay and Maunday's Bay. It is the only major beach in the area without major tourism development.

A narrow strip of sand dunes separates Cove Bay from Cove Pond. Formerly more extensive and more than three metres high, the seaward face of these dunes has been eroded by hurricane activity. The result is that where there used to be a wide belt of sand dunes separating the salt pond from the sea, now only eroded remnants exist. The fragile dune habitat still has a vital role as a wave and storm barrier, and needs to be protected and allowed to regain its former extent. It is also an important area for bird watching.

In the past, there have been proposals to build villas and other structures along this narrow strip of sand dune, backfilling the pond in order to create new land. However, any form of building structures in this location would be extremely detrimental to the environment and should be resisted.

In addition to the environmental issues which would arise from this, the Cove Bay area is a prime location for public recreational use in the West End where access to the sea and beaches is being curtailed by large scale developments that line the coast.

Reflecting these objectives, in 2007, the then Government approved the creation of a 80-acre National Park at Cove Bay that will encompass both a portion of the fragile dune habitat (where no development will be allowed) and a portion of the adjacent pond. It is intended that the area will also remain open for sustainable public recreational use and will be designated as "protected" under relevant legislation. A MoA to this effect was signed with the then owners of the Cap Juluca resort.

### **Content**

The proposed design provides for the following elements:

- The formal establishment of an 80 acre National Park that will encompass both the sand dunes and a portion of the pond.
- Large scale replanting and re-vegetation to contain soil and wind erosion.
- Designation of areas for sustainable public recreational use, including provision of barbeque and picnic areas and facilities.
- Provision of a restaurant/snack bar and other facilities.
- Provision of car parking areas; and
- Provision of a Nature Study Visitor Centre, including toilet block; and Nature Area (with interpretative trails, signs and information panels, and camping facilities).

In addition, the Park will provide themed activities, such as interpretative programmes for children (field visits).



**Estimated Cost**

To be determined.

**Action**

Design and Management Plan to be prepared by Department of Environment in association with National Trust and Cap Juluca resort.

The Action Plan will include:

- Development of standards and criteria that are to apply within the Park – these will include design guidelines for natural areas, activities and architecture.
- Identification of planning instruments needed to help achieve the desired outcomes, and
- Development of a programme for implementation – this task needs to identify specific implementation responsibilities and include a co-ordinated implementation programme with specific priorities, estimated costs and funding.

Technical Assistance will be sought in the areas of landscape design and trail design and interpretation.

## 11. ACTION PROGRAMMES

### 11.1 INCREASED AND MORE EFFECTIVE MARKETING

#### 11.1.1 Strategic Approach

Anguilla's overall destination marketing strategy must be based on twelve fundamental factors.

The **first** is that Anguilla has limited resources to undertake general marketing campaigns. Consequently, in the short/medium term, the strategy should be to concentrate resources on fewer markets, targeted promotions within these markets and minimize overheads and other administrative costs.

The **second** is that Anguilla must reinforce its position in the market as an exclusive, high quality beach destination but differentiated from competitors through its offering of a unique holiday/vacation experience in a natural environment, and its distinct cultural heritage. However, it must be emphasized that this will not be achieved by marketing alone. The product must reflect a 5\* experience which means increased investment in all aspects of the tourism product – infrastructure, amenities, standards, heritage etc.

The **third** is that Anguilla must allocate greater resources and effort to web-marketing. During the past decade, the internet has brought about a pronounced shift in how people purchase travel and tourism products. It has been estimated that the global number of users of the internet has grown from 16 million in 1995, through 361 million in 2000 to reach about 2.0 billion in 2010.

The internet has had a major impact on tourism and travel, with the development of huge numbers of websites and applications including reservation systems, online travel agents and tour operators and interactive product review sites.

The pace of change in sales of travel is being paralleled by the development of online marketing and promotional tools. Traditional marketing methods are being challenged as internet technology has displaced mass marketing and enabled tourism

providers to develop personalized, direct communications to consumers. The boom in interactive information sharing and online collaboration on the internet (Web 2.0) is enriching the online marketing mix. Social networking sites, such as Facebook and LinkedIn, are now developing as marketplaces with an increasing array of tourism and travel products being promoted through these networks.

The implication is that in today's international business environment it is no longer sufficient for Anguilla to simply have a website. Anguilla – both the Tourist Board and product providers – must be more proactive in marketing and managing their own websites.

The **fourth** factor is to extend the season through the promotion of a diversified tourism product range to include weddings/honeymoons, special events, MICE. This will raise occupancies in the low season, utilize the labour force more efficiently and limit the effects of demand peaks.

The **fifth** factor is that destination marketing must be market research driven. A key characteristic of successful tourism destinations is the emphasis that they place on understanding the customer and how to meet their needs. Significant resources are spent on knowing the customer and what their requirements and perceptions are of the destination post and pre visit. Similarly, knowing the market distribution channels – how best to reach the customer, understanding the trade channels – tour operator, travel agents etc – and especially today, understanding the web-based technologies can be used only to communicate with customers, but also to provide market research information is essential.

A **sixth** factor is 'leveraging' the ATB's promotional budget by engaging in joint advertising campaigns with market intermediaries (traditional and on-line tour operators, airlines etc) as well as organisations such as AHTA to get wider market exposure than otherwise possible.

The **seventh** factor is to capitalise on the market knowledge and marketing skills within the Anguillan tourism sector. A key initiative would be to engage with the Anguillan ground tour operator sector to spearhead the development of non-traditional and niche markets.

The **eighth** factor is the strengthening of marketing 'know-how' and skills within the Anguilla Tourist Board, particularly in respect of destination marketing, web-marketing and marketing planning/research.

The **ninth** factor is to have an adaptive marketing plan to respond to changing market circumstances as they arise.

The **tenth** factor is that Anguilla is an off-line destination. The implications of this is that not only must there be the high standard seamless inter modal access as described in Section 11.3, but the transfer itself must be promoted as re-enforcement of the exclusiveness of the product.

The **eleventh** factor is that Anguilla is a niche destination. The implication is that its competitive position in the market is more sensitive than main stream destinations to changing perceptions of the 'fashionability' of the destination.

The **twelfth** and final factor is that in the short to medium term there is oversupply of accommodation in the Caribbean (and indeed worldwide), coupled with lower disposable incomes in the main source markets. The implication is that customers are looking for and influenced by price deals and promotional offers.

### 11.1.2 **Marketing Plan**

As indicated in Ch. 5 previously, increased resources will have to be allocated to destination marketing to achieve the targeted increase in visitor arrivals and expenditure.

A destination marketing plan for the next 1 to 3 years is outlined in Ch. 12 following.

It must be emphasised that in the context of a 10 year STMP, a destination marketing plan can only be indicative of the proposed budgets, how these budgets should be allocated between the main source markets and within each market, what funds should be allocated to the various elements of the marketing mix.

## 11.2 **IMPROVE AIR AND SEA ACCESS**

The air and sea access situation is reviewed in the Interim Report (Section 8.4). Passenger traffic data indicates that since the beginning of last decade air transport has become less important than sea transport as a mode of transport to Anguilla for all categories of travellers – tourists, excursionists and residents. In 2001, some 22% of passenger traffic to/from Anguilla was by air. Preliminary figures for 2010 suggest that this has now fallen to just over 12%.

### 11.2.1 **Present Situation**

#### **Air Access**

- Scheduled aircraft movements have been in decline since 2002
  - due to the cessation of services by Caribbean Star in 2006 and reduction in services provided by American Eagle in recent years.
- Passenger load factors – at less than 40% - are significantly below capacity.

- For US tourists, St. Maarten is the preferred gateway because of relatively lower cost of access and the good connectivity.
- Anguilla’s air service policy geared to protect status quo
  - limitations on 3<sup>rd</sup> and 4<sup>th</sup> freedom rights
  - restrictions on freedom rights to protect local charter carriers.
- Limited GDS (Global Distribution Systems) displayed direct schedule air services to Anguilla.

The findings of the market survey among tour operators, travel agents, market and hotel representatives in the major source markets of US, Canada, UK, Germany, Italy and Puerto Rico indicate that limited air access is a major constraint to increasing visitor numbers according to:

- 83% of US respondents
- 60% of Canadian respondents
- 40% of UK respondents

but enhances image of exclusivity and uniqueness according to:

- 60% of US respondents
- 40% of Canadian respondents
- 67% of UK respondents.

### Sea Access

In 2010, the number of ferry services between St. Maarten and Anguilla was approximately 13,500. With an average passenger load of 12, the average load factor of the combined fleet was about 40%.

Based on the Ferry Boat Inspection Schedule for 2010, there are seventeen (17) ferry boats but only ten (10) are certified for operation.

The findings of the 2011 VES indicated that about four out of five visitors (79%) consider the ferryboat service ‘good’. However, this

still leaves about one in five (21%) visitors who consider the service to be ‘fair or poor’.

The main issues identified were:

- Boats which don’t appear safe.
- Luggage – not always transported from boat to customs/immigration
  - due to system of freelance porters.
- Hustling behaviour by ferry service operators (mainly to Dutch St. Maarten) towards taxi drivers and visitors when offering their services.
- No regulation of charter boats.
- No system in place to replace a ferry which breaks down.
- Ferries don’t distribute customs and immigration forms which impacts negatively on the ‘arrival’ experience.

### 11.2.2 Relative Importance of Different Modes of Access

Tour operators and travel agents in the main source markets were asked to indicate the relative importance of the various means of transport to Anguilla for their clients. Their responses are summarised on Table 11.1.

**Table 11.1: Relative Importance (%) of Modes of Access for US Market**

Mode	High	Relatively High	Medium	Relatively Low	Low	Total
Direct Private Jet	25	10	30	10	25	100
Air over San Juan	10	50	10	20	10	100
Air over St. Maarten	90	-	-	10	-	100
Ferry over St. Maarten	60	30	-	-	10	100
Air over Antigua	10	10	-	10	70	100

The findings indicate that high importance is attached to air and ferry services over St. Maarten by about 90% of the US travel trade. Relatively less importance is attached to the San Juan hub. Low importance is attached to the Antigua hub. The responses from the Canadian market survey indicate similar findings.

For the UK market, the findings are shown on Table 11.2.

**Table 11.2: Relative Importance (%) of Modes of Access for UK Market**

Mode	High	Relatively High	Medium	Relatively Low	Low	Total
Direct Private Jet	20	30	30	10	10	100
Air over San Juan	10	-	30	10	50	100
Air over St. Maarten	10	20	30	20	20	100
Ferry over St. Maarten	-	40	20	10	30	100
Air over Antigua	60	20	-	-	20	100

The findings indicate that high importance is attached to air services over Antigua and the ferry services from St. Maarten.

For the German market, 80% of respondents attached high importance to air and ferry services over St. Maarten and air services over Antigua.

### 11.2.3 Improving Air Access

#### **Competitive Connectivity with St. Maarten**

Maintaining and improving connectivity with St. Maarten in terms of tariffs and schedules is essential.

**Table 11.3: Schedules and Comparative Air Fares (US\$)**

Hub	To	Highest US\$	Lowest US\$	Promo US\$	Flight Time Mins	Schedule flts per day	Daily Seats
<b>A. St. Maarten to:</b>	<b>Return</b>	<b>Return</b>	<b>Return</b>				
St. Barths (SBH)	279	197	127	10	13	203	
Nevis (NEV)	279	126	-	30			
Saba	148		93	12	5	80	
Anguilla	190		160	8	9		

Source: flightstats.com

Air fares from St. Maarten are competitive. Moreover, when interpreting the figures on Table 11.3, it should be noted that the fares to Nevis are subsidised by their Government.

#### **Develop San Juan Gateway**

The San Juan international gateway provides the best immediate opportunity for geographic diversification of Anguilla's source markets. It serves more cities with more flights in the USA and Latin America than any of the other regional gateways. It must be remembered that the USA is not a monolithic market but in fact comprises a number of distinctive regional markets. GDS displayed scheduled air service to San Jan should therefore be encouraged.

The intensity of service at San Juan is such that there are a number of arrival and departure flight banks spread across the day. Current services between San Juan and Anguilla only meet a minimum number of these banks. If geographic diversity of Anguilla's source markets is to be accelerated, airlines need to be encouraged to serve a larger number of the flight banks at San Juan.

This challenge can be met. As outlined in the Interim Report, BVI enjoys 18 GDS scheduled services daily from San Juan, providing 480 seats per day while Anguilla enjoys 18 services per week. Cape Air which flies 9-seater aircraft and claims that its San Juan to Anguilla service is already profitable may be the airline best geared in the short-term to increase daily service on that route.

### **Less Restrictive Air Service Policy**

At minimum, the policy should facilitate the marketing of Anguilla to all airlines capable of operating GDS displayed regional scheduled services and encourage the upgrade of local operators to GDS displayed scheduled services. In addition, the restriction on non-third and fourth freedom charter services should be eased but subject maybe to the payment of an appropriate licence fee.

### **Guarantees and Other Support**

Revenue guarantees are a common practice for attracting airlift to smaller airports and destinations. Typically, an airport or destination will guarantee revenue equal to the fares a target number of passengers would pay. Fares actually paid by passengers are subtracted from the guaranteed amount, and if the target is reached no money is paid to the airline. The risk arises when the airline receives the guarantee and then does not operate the subsidized flights.

In Grenada, the private sector has contributed to a Government bond that is used to ensure a new American Airlines non-stop service to the island. The Government's Airlift Committee was tasked with raising US\$1.5 million to cover the bond.

Another approach is the so called 'travel bank' (used recently in Wichita, Kansas, where more than 380 businesses and organisations raised \$4.7 million and committed it as upfront money for tickets on a new air service).

Recently, American Eagle (Eagle) requested a Minimum Revenue Guarantee (MRG) from the GOA to maintain its San Juan service.

The American Eagle service to Anguilla involves the ATR 72 aircraft, seating 64 passengers; the service is 4 times weekly. With a rumoured average load factor of 30%, the request was understandable, particularly in the context of the increasing prevalence of Caribbean governments providing guarantees and other support to both international and regional airlines to establish and/or maintain connectivity.

### **11.2.4 Improve the Air-Sea Intermodal Access**

Anguilla's primary access assets are the very close Princess Juliana International Airport in St. Maarten and its ferry service between St. Maarten/St. Martin. The two countries are so close that if they were physically joined by a land bridge, there would be no discussion of developing an expanded international airport on Anguilla. In the absence of the land bridge, there is the 'sea-bridge' that is the ferry service. The relative cost of operating a ferry boat versus a commuter aircraft would likely make the ferry service the preferred means of transport between St. Maarten and Anguilla. Moreover the ferry service is a rather unique means of arrival at a destination, something Anguilla can exploit as part of its tourism product. Indeed it may be appropriate to have a common external design of the façade of the vessels to make them readily identifiable as an Anguillian product.

The challenge therefore is how to improve the quality of service and minimise the elapsed time for the passenger between arrival at the Princess Juliana International Airport in St. Maarten and arrival at the place of accommodation in Anguilla. The same challenge applies for the departure. It is recognized that minimization of elapsed time is a major contributor to the improvement in the quality of service.

Meeting this challenge requires seamless transition across three (3) modes of transportation, air, sea and land (vehicles), minimisation of the number of border security activities without weakening safety, security and revenue collection for St. Maarten, St. Martin and Anguilla and enhancing the level of customer service across all activities.

A **water-taxi** ferry service at Marigot in St. Martin would focus on excursionists, residents whose final destination is St. Martin and/or St. Martin and passengers travelling by air from Esperance Airport in St. Martin. A **water-taxi** ferry service in St. Maarten would focus on passengers travelling by air from Princess Juliana International Airport.

*The required improvement would need the phased development of the Blowing Point ferry terminal guided by the recommendations of Jacobs Consultancy in February 2008.*

Key elements of this system for arrivals would include:

- Seamless transfer from Juliana Airport.
- Frequent, high quality water-taxi service.
- Customer friendly, readily accessible on-line ferry booking and payment systems.

#### **At St. Martin/St. Maarten**

- Clear and prominent signage at the airport for assistance to use the water-taxi ferry service.
- Effective and friendly customer assistance services at the airports.
- Smooth transfer from airport to ferry terminal.
- Meet and greet services and customer friendly Anguilla immigration processing at the ferry terminal.
- Good ferry service schedule integrity.
- Safe, clean and well appointed ferry boats, readily identifiable as Anguillian.
- Disciplined boarding of boats and safe and secure handling of luggage.
- Safe sea trip with effective customer interaction.

#### **At Blowing Point Terminal**

- Disciplined off loading of boats and safe and secure handling of luggage.
- Meet and greet services and customer friendly Anguilla customs processing.
- Clear and prominent signage.
- Adequate parking for vehicles.
- Safe, clean and well appointed taxis.
- Disciplined boarding of taxis.
- Safe land trip with effective customer interaction

### **11.3 BETTER SECTOR MANAGEMENT**

#### **11.3.1 Improved Regulatory Environment**

Our review of the legislative and regulatory framework (Interim Report, Section 7.2), indicates that although a considerable body of laws and regulations covering public health, safety, accommodation, marine parks, protected areas, the environment, biodiversity and heritage conservation, are on the statute book, there are severe deficiencies in respect of Physical Planning Legislation, viz

- “The building code is a policy document rather than an act or regulation.
- The DPP is not authorised to halt development that is underway.



- The legislation doesn't provide for the Creation of a Comprehensive Physical Development Plan. Without such a plan, land use decisions are made in a vacuum.
- The basis on which DPP requires an EIA is not sound.
- The LDCC's membership is strongly biased towards design and land specialists and does not include individuals with other skills, notably in the biological science.
- The appeals process is not transparent or managed within a context of principles and criteria; and
- The legislation does not reflect concerns based on advances in ecological science or the experience with current levels of urbanization and population growth". \*

The Dept. of Physical Planning also noted that the present Act,

- Does not take best planning principles and practices into consideration.
- Many of the procedures are executed administratively with no legal support.
- There is a great need to amalgamate the physical planning and building laws in order to create a one stop shop to properly facilitate the planning and building processes.

We endorse the Dept. of Physical Planning's recommendation that the present Land Development Control Act, 2000 be amended (if possible) or a new planning act created, which would

- Broaden the definition of 'land' to include land covered with water, the foreshore and the sea bed.
- Allow the LDCC to delegate some of its duties to the Director of Physical Planning.

\*National Biodiversity Strategy and Action Plan

- Give legal standing as statutory documents to physical development plans for part and whole of island, which will be used to manage and guide development on the island and will provide the framework for the determination of planning applications.
- Effect a broader and balanced Planning Board by including private sector representation.
- Allow appeals to be heard by an Appeal Tribunal/Panel instead of Executive Council.
- Facilitate public information and involvement in the planning process by publicising planning applications.
- Give wider powers to the LDCC, in respect to consultations, requests for an EIA, development agreements; require performance bonds, issuance of 'stop' notices and enforcement.
- Allow for the lapse of building permits where a building has not been completed within 10 years of the application.
  - and 3 years where building has not been commenced.
- Allow for outline permission to lapse and cease to have any effect after 1 year of the grant of outline permission.
- Full permission shall lapse and cease to have effect if it has not commenced within 2 years.
- Also permission should lapse if the development is less than 10% of the estimated cost of the development.

to which we would add

- Incorporate the formulation of TDA plans into the proposed new Physical Planning Act.

### **11.3.2 More Control Over Pace and Scale of Development**

The value of the major tourism resorts/residential projects approved by the GOA in recent years amounts to an estimated investment of an estimated US\$3.5bn, representing some 4,700 rooms when the construction of private villas not to be included in the rental pool are also taken into account.

Because of the recent global economic and financial crisis many of the listed projects are unlikely to go-ahead. Nonetheless, the approval of such a large number of significant projects represents a threat to the orderly development of the Anguilla tourism sector. The issue is that the development of Anguilla tourism is (and has been) supply led in that it is developer projects which are determining the nature and scale of Anguilla tourism rather than government and citizenry's vision for the tourism industry.

The Government needs to find a way to balance investor interest with the orderly expansion of the tourism industry and the wider economy.

We recommend:

- Introduction of a clause in all agreements between Government and developer under which project approval lapses if construction has not materially commenced within a two year time frame.
- Discussions with developers with the view to the cancellation of 'approval' status for projects which has exceeded the two year window allowed for start-up, under new legislation.
- A review of all approved project MOA/MOUs to assess whether their nature and scale is appropriate for Anguilla, taking into account environmental and social factors, such as making adequate provision for unencumbered public access to beaches and coastal areas.

### **11.3.3 Registration and Licensing of Tourism Enterprises**

Currently, Anguilla's tourism sector is unregulated. It is not necessary for operators of the tourism product and services to be registered or adhere to any system of standards or codes of practice, apart from conforming to the various laws and regulations covering hygiene, safety, etc. There are for example, no specifications as to the minimum requirements for an establishment to operate as a hotel (number of rooms, services provided etc), guesthouse, villa resort etc.

Not every tourism destination has regulated standards, and as the absence of any system for licensing, classification, standards does not seem to have constrained the development of tourism on Anguilla to date, the question arises as to whether Anguilla needs such a system.

This issue has been reviewed in the Interim Report (Section 8.2), the conclusion being that although to-date Anguilla has managed well without any system of registration/licensing, the challenges facing the industry over the next decade in respect of the orderly development of the tourism product would be more easily addressed if a system of licensing/registration is established.

Moreover, for the effective implementation of system of product standards and quality assurance, the licensing/registration of tourism establishments/operations is a fundamental requirement.

### **11.3.4 Better Statistical Data Base**

Although Anguilla's professionalism and commitment in relation to research and statistics is one of the better among the smaller Caribbean islands – indeed Anguilla is one of the few countries which undertakes a visitor exist survey on a regular basis – much of this effort is of limited value because of conceptual, processing and analytical issues. These issues, outlined in a report prepared by CARTAC in July 2008\*, are reviewed in the Interim Report (Section 8.1), along with the CARTAC recommendations.

\*CARTAC Project for Strengthening Tourism Statistics, McHale Andrew, July 2008

Because of GOA's constrained situation with regard to public finances, none of the CARTAC report recommendations have been implemented. Recognising the likely continuation of constrained public finances in the short term on the one hand and on the other, the absolute imperative of having accurate and timely information, knowledge and cogent analysis in relation to tourism, we recommend the following actions, the implementation of which should be feasible within the limitations of current resources, and would result in a more effective tourism statistical information database.

➤ ***Institution of Single E/D Card and Enforcement of the Use of E/D Cards***

As outlined in the CARTEC report, this is 'a critical condition precedent and requires agreement at the national level, followed by the necessary administrative fiat, to use one single E/D card such as the current CARICOM E/D card, which was introduced for the CWC 2007, with the necessary enhancements. Issuance of the appropriate directive to all concerned including airlines as well as enforcement of that directive would fall naturally to the Immigration Department/Chief Minister's Office. The airlines have in the past been responsible for printing the E/D cards, which they hand out during their flights; this should be allowed to continue but with a clear directive that they must use the agreed E/D card template or face specific sanctions'.

➤ ***Distribution of the E/D Card should be Combined with Customs Form***

Both forms should be distributed at the same time on board both planes and ferries.

➤ ***Better Use of E/D Card Information***

The E/D card should be revised to eliminate any ambiguities and definitional issues with regards to the questions, and the information collected should be processed to provide cross tabulations of key metrics.

➤ ***Classification of 'Belongers' as Visitors***

Because the place of normal residence is not Anguilla for 'Belongers', they should be classified as visitors – either excursionists or tourists – in accordance with WTO guidelines. Moreover, we recommend the inclusion of separate questions in respect of country of residence and nationality to capture the 'belonger' segment of visitor arrivals.

➤ ***Revise Visitor Exit Survey Questionnaire***

The Visitor Exit Survey Questionnaire should be revised to:

- Reconsider the continual inclusion of some questions which have marginal value e.g. 'would you recommend Anguilla to a friend for a holiday?'
- Capture information in relation to visitor's motivations in considering Anguilla as a vacation destination.
- Ask whether this is the respondents first vacation/visit to the Caribbean
- Ask 'what sources of information did the respondent use in choosing Anguilla as a vacation destination'.
- Collect more accurate information on visitor expenditures.
- Include Puerto Rico as a specific country of permanent residence.
- Ask the extent to which a travel agent or tour operator was used to arrange vacation booking
  - all  accommodation only  flight only

A draft of the revised questionnaire is contained in the Interim Report.

Note: Currently, the VES Report is an analysis of the combined responses of both stay-over tourists and excursionists. As a result, the report findings are of little value from a marketing/product development standpoint. Separate analyses should be undertaken to make the findings more relevant.

### 11.3.5 Better Marketing Accountability

As noted in the Interim Report, accountability is poor in that the ATB does not have a marketing plan which sets out targets, activities and resources. There is no monitoring or assessment of performance.

An approach to marketing planning, indeed all planning, based on the SMART (specific, measurable, achievable, realistic, timely) principles is required.

## 11.4 **UPGRADE QUALITY AND SERVICE STANDARDS**

### 11.4.1 Training Needs of Sector

To determine the training needs of the tourism sector, an 'Employment and Training Needs' survey was undertaken among hotels, guesthouses, villas and restaurants as part of the STMP fieldwork. As shown on Table 11.4, the training needs of the industry are very extensive, covering all areas of management, supervisory, technical and generic. The detailed results of the survey are contained in Annex 18.1.

**Table 11.4: Summary of Industry Training Needs by Functional Area**

FUNCTIONAL AREA	TRAINING NEEDS
MANAGEMENT	<ul style="list-style-type: none"> <li>• Hospitality, Accommodation, Restaurant &amp; Villa (High End Estate) Management</li> <li>• Management and Leadership Skills; Coaching &amp; Counselling; Staff Motivating/ Empowering; Business Principles</li> <li>• Financial, HR Management; Strategic Planning and Marketing</li> <li>• Work Ethics</li> </ul>
SUPERVISORY	<ul style="list-style-type: none"> <li>• Supervisory, Leadership and Management Skills</li> <li>• Human Relations (Peoples Management), Team Building</li> <li>• Time Management &amp; disciplinary training</li> <li>• Stock and inventory taking (restaurants)</li> <li>• Microsoft Office</li> </ul>
TECHNICAL	<ul style="list-style-type: none"> <li>• Front Office Operations: Basic FO Skills Standards; Front Desk Policies &amp; Procedures; Principles of Hospitality</li> <li>• F&amp;B Services: Basic F&amp;B Skills Standards; Restaurant Operations (incl. Opening and closing procedures); Costing &amp; Billing; Wine training; Presentation Skills</li> <li>• Housekeeping: Laundry &amp; Dry Cleaning; Basic HK Skills Standards (incl. turn down services)</li> <li>• Food Production: Basic FP Skills Standards; Advanced Culinary Skills; Pastry &amp; Bakery Skills; Kitchen Management; Cost Control; Waste Management; Consistency of products and services; Food Presentation</li> <li>• Maintenance: Basic Skills Standards; Preventative Maintenance; Computer Equipment, Pool, Air Condition and Refrigerator maintenance and repair</li> <li>• Sales &amp; Administration: Basic Accounting Skills; Sales Techniques; Marketing; Developing Commercial Attitude; Business Writing; English Grammar</li> <li>• Others: Villa set up and décor presentation; Landscaping</li> </ul>
GENERIC	<ul style="list-style-type: none"> <li>• Guest/Client (interaction) services</li> <li>• Tourism Awareness Training (unskilled and technical jobs)</li> <li>• Tourism Product &amp; Market Knowledge</li> <li>• Communications Skills</li> <li>• Personal skills development (self-control; guest interaction; natural composure; presentation)</li> <li>• Work productivity enhancement; Time and Delivery Management; Job quality improvement; Consistency in the provision of service</li> <li>• Guest Complaints handling</li> <li>• Business English</li> </ul>

#### 11.4.2 **HRD Interventions and Facilities**

Formal vocational tourism education in tourism and hospitality subjects is provided by Anguilla's High School (AHS) and the recently established Anguilla Community College (ACC).

Practical HRD interventions (the predominant form of training) vary from the traditional 'sitting-by-Nellie' training approach (on-the-job training by colleagues or supervisors, who are not necessarily well trained themselves) to in-house training courses by provided by specialised trainers.

In addition, Anguilla's Hotel & Tourism Association (AHTA), has initiated a Tourism Awareness Programme for primary and secondary schools.

##### ***The Anguilla High School***

The Anguilla High School offers a two-year programme at entry level (also called level 1) for 15 to 17 year old students. Of the annual intake, about 200 students enrol in one of four streams, viz:

- (i) Management of Food & Beverages
- (ii) Hotel Management
- (iii) Hospitality Service
- (iv) Tourism

The Management programmes (streams (i) and (ii)) receive accreditation from the Educational Institute of the American Hotel and Motel Association (AHMA). Streams (iii) and (iv) lack such recognition and are more local in context. Because of a lack of curricula development, these latter streams are almost identical.

All four streams are regarded as stepping stones for the Caribbean Vocational Qualification (CVQ), which facilitates free movement of skills within the CARICOM for those certified in the National Vocational Qualification System. However, it should be noted, that a National Vocational Qualification System does not exist for Anguilla.

Despite the sizeable number of students enrolled in these tourism and hospitality streams, the school does not have a separate department for Tourism & Hospitality. The school is short of adequately trained teachers with industry experience, training materials and practical training equipment.

##### ***The Anguilla Community College***

The Anguilla Community College was established by the Anguilla Community Act 2008 and commenced operations in March 2009. It has six academic divisions, each offering Associate Degrees, Certificates and Diplomas. One of the divisions is 'Hospitality Studies', which aims at developing skills in Culinary Arts, F&B management and Hospitality Studies.

In developing the Hospitality Studies Course curriculum, the College has worked closely with the Caribbean Tourism Human Resource Council (CTHRC), and the Caribbean Tourism Learning System (CTLS).

Prior to the establishment of the Hospitality Studies Course, the ACC organised tourism & hospitality related part-time courses. Attendance was 211 people in 2007/2008, and 109 during the academic year 2008/2009 – an average of about 100 yearly over the last three years.

Training courses were conducted in nine subjects, viz:

- Basic Housekeeping.
- Principles of Sanitation, Safety & First Aid.
- Quality Customer Care.
- Hospitality Accounting.
- Hospitality Marketing.

- Human Relations.
- Supervisory Management.
- Accommodation Management.
- Hotel Reception and Sales

The College, currently located in the centre of the island, will be re-housed at a purpose designed hotel school building this year (2011) complete with demonstration kitchens, labs etc. The construction and equipping of the hotel school is being funded by way of a CDB grant.

The ACC has a long term goal of establishing a Hospitality Training Institute (HTI), which will be organised within the Division of Hospitality Studies.

***The Technical Vocational and Educational Training (TVET) Council***

In close cooperation with the Ministry of Education, a TVET Council has recently been set up as a statutory body, its main functions being:

- Assessment of skills performance of students attending the Anguilla High School and Community College.
- Accreditation of a/o, Hospitality and Tourism curricula

This is an important body, whose role could be extended to skills assessment of all industry staff.

**11.4.3 Assessment of the Appropriateness of the Local Hospitality Training Institutes to Meet Existing and Projected Sector Needs**

With the High School enrolling some 200 students annually in the Hospitality & Tourism streams and the Community College now

operational, the institutional arrangements and infrastructures for the provision of training have been established.

However, teachers in tourism and hospitality subjects aren't always trained professionally themselves and/or lack relevant experience in the industry. In addition, appropriate training equipment is lacking.

With regard to curricula, there aren't common standards of operation procedures (SOP) within the industry, nor a universal set of internationally accepted skills performance standards.

Moreover, there is no recognition either from government or international accreditation from a relevant institute for skills performance/achievement.

In summary, although the courses provided by the ACC are (and have been) appropriate, the number and range are nowhere near current and projected needs of the hospitality sector.

**11.4.4 Manpower Requirements**

The number of additional personnel required by the tourism industry over the next ten years has been estimated in Chapter 5 for the three growth scenarios. In summary, the following increases are indicated:

**Table 11.5: Increase in Labour Demand**

	DIRECT EMPLOYMENT IN TOURISM		
2010	Scenario A	Scenario B	Scenario C
3,000	3,500	5,000	6,500

This increase is significant and require a large increase in labour supply. Active labour market policies will be required to stimulate the supply and manage the issues that will arise. This policy may need to include facilitation of overseas recruitment and new programmes of pre-service and in-service training and education.



### **Turnover and Replacement Rates**

It should be noted that the figures in Table 11.5 represent net increases in total employment. They do not take into account employment turnover rates, and the need to replace staff losses. Every year there are staff losses from the industry due to a number of causes including retirement, illness, emigration, layoffs and transfers to other sectors of the economy. Based on our fieldwork interviews among stakeholders the tourism, the staff turnover ratio is relatively low – about 10% overall.

Moreover, it is unlikely that the net loss and associated replacement requirement for the sector as a whole is anywhere near the turnover levels, as a substantial share of the turnover is attributable to people who leave one job in tourism to take up another in the same sector. Making allowance for this, it is likely that the net replacement rate is probably in the region of 5%. This would imply that the total additional staff requirement for direct employment in the sector is about 5% more than the figure stated in Table 11.5.

#### **11.4.5 Establish a Tourism HRD Programme**

In the face of such an expansion in demand for labour, there is need to provide training for:

- Persons wishing to enter the hospitality sector.
- On-going on-the-job training for existing staff within the industry who currently lack adequate skills to perform their jobs in a satisfactory manner.

The requirement to establish a system for formal, certified training in:

- Vocational craft skills
  - reception
  - table waiting

- bar service
- cooking
- food preparations and presentation
- housekeeping.
- Tour guiding
  - urban/cultural/ heritage guiding
  - nature/wildlife guiding.
- Supervisory and middle management.
- Customer care
  - customs & immigration
  - taxi drivers
  - ferry operators
  - all front-line personal.

#### **11.4.5 Capacity Building**

To effect the Tourism HRD programme it is necessary to have capacity building as follows:

##### **➤ A Set of Skills Competencies or Standards**

Skills competencies must be based on internationally accepted standards of skills competencies, which then are locally adapted, and, where appropriate, aligned with regionally skills competencies.

***A set of Core Competencies covering the hospitality & tourism sector already exists for Anguilla. These will have to be further elaborated in training manuals and skills instruction videos for general distribution.***

➤ **A Recognition Body for Skills Accreditation**

This concerns a recognised body that approves the skills standards and accredits, assesses and certifies trainers, trainees and assessors. It usually also trains skills assessors.

***The recently established TVETC, already functioning as an accredited and assessment body for schools, could be the designated accredited cum certification body for the tourism and hospitality industry. However, international accreditation is a fundamental requirement.***

➤ **Trainers**

Trainers are those who have been successfully trained in training skills and exposed to the technical skills standards, after which they pass on their knowledge to their staffs (on-the-job, training) or students (at schools).

***Teachers from the schools and supervisors/managers from the industry could become accredited trainers, based on previous acquired trainer credentials or after participation in a train-the-trainer course. International managers could offer their expertise as a community service stipulated by their work permit, for instance to conduct a trainer development programme***

➤ **Demonstration Centres**

Demonstration centres are replicas or mock ups of real life working environments for workers in the industry, in which their skills performance can be developed. These include Demo Kitchens (Main, Larder and Pastry), Restaurants, Bars, Front Office Desks, Travel & Tour Operator counters and Bedrooms for Housekeeping.

➤ **National Curriculum**

It is necessary to develop an accredited national curriculum. A cost effective way of achieving this is to adopt the curriculum from an internationally recognized body such as City & Guilds, UK or the Caribbean Hotel Association (CHA), which applies a Caribbean Certification system of internationally accepted standards (CaribCert). International accreditation could be provided by the same body.

➤ **Training Material**

Considerable training material and equipment is required to train international skills standards as part of a National Skills Programme. It ranges from Skills Standards Manuals, to lesson plans (for tutor trainers) and training plans (for trainers), to instruction videos.

***Technical and Other Support Required***

To implement the capacity building recommendations, technical and other support required include:

- Technical assistance.
- Facilitation with industry associations.
- Kitchen equipment.
- IT equipment and software.
- Educational materials.

Total cost would be in the region of US\$1.5m over a two year period. Detailed costings are contained in Addendum 19.2.

## 11.5 ENHANCE, ENRICH AND DIVERSIFY THE PRODUCT OFFER

### 11.5.1 Standards and Classification

The issue of standards and classification has been reviewed in the Interim Report (Section 8.2), the main conclusion being that the Anguillian tourism sector would undoubtedly benefit from having a system for classification and standards for a number of reasons, the main ones being:

- Maintain and encourage continual improvement in standards. There is little doubt that the future of Anguilla tourism is up-market. This implies having a high quality product. The implementation of a classification/quality assurance system will help improve physical and operational standards.

(In this respect it is worthwhile noting the findings of the VES survey which indicate visitor dissatisfaction with particular services).

- Send the right signals to the market – giving assurance to the potential customer in the sense of providing him/her with an indicator or measure of quality of the operation and its services, sight unseen. This is an important consideration in the context that with the exception of the Viceroy Group, Anguilla has no internationally recognized ‘brands’, who provide assurance with regard to quality standards.
- Provide the industry with clear benchmarks against which they can measure their performance and those of their competitors.
- Assist Anguilla Tourist Board in promoting a range of products, across the grades, all operating to a satisfactory standard, to the consumer and the travel trade.

#### (i) **Introduce Legislation to establish and monitor tourism industry standards**

Taking into account the size and structure of Anguilla’s tourism sector and the lessons from experience elsewhere, we recommend the following system for registration, standards, licensing and certification of tourism products and services.

- The system should cover the following sub-sectors:
  - accommodation
  - restaurants
  - car rental
  - dive operations
  - ground tour operators
  - ferry operations
- The accommodation establishments should be classified into the following categories based on specific criteria covering inter alia number of rooms, services provided etc.
  - hotel/villa resorts
  - hotels
  - guesthouses
  - villa resorts
  - independent villas
  - condominiums
- Minimum standards should be established for each sub-sector and category of accommodation.
- Only properties/operations meeting these minimum standards will be licensed to operate and duly registered to do so with the Ministry.
- An Appeals Board will be part of the system.

**(ii) Methodology for Implementing Licensing and Standards**

Implementing a licensing and standards system is a complex task which requires the backing of the industry, trained and proficient inspectors and regular, impartial monitoring. The most difficult period for a system is the introductory stage when the operators are unfamiliar with the system and the inspectors are only becoming familiar with the product.

The following is the recommended sequence of actions:

- (i). Establish a Quality Assurance Unit within the proposed Tourism Department in the Ministry (FEDICT) and appoint official(s) to the Quality Assurance Section within the Department, including inspectors.
- (ii). The proposed system must be publicized and discussed with the tourism sector.
- (iii). Establish a Standards Advisory Committee (SAC). The Ministry should form a Standards Advisory Committee composed of representatives of the tourism sub-sectors, the health authorities, and the designated Ministry official(s) responsible for licensing, classification and standards. The SAC will discharge the functions of a Bureau of Standards - new legislation will be required to give it the necessary powers.
- (iv). A Working Party (WP) of the SAC should be formed to liaise on a day-to-day basis with the SAC and to ensure cooperation between the SAC and the private sector. AHTA and ferry operations should be well represented on the WP.
- (v). A 'standards' expert needs to be identified and contracted for a period of 2 years.
- (vi). Obtain donor support for the provision of a 'standards' expert and a budget for a period of two years.
- (vii). Training for the inspectors must be organized and implemented.
- (viii). Adequate funds are essential if the system is to be successfully launched and sustained. An ongoing funding mechanism for regular inspection must be established through an annual inspection fee paid directly to the Licensing Unit within the Ministry for the specific purpose of funding annual inspections.
- (ix). The Ministry inspectors will meet with the WP and SAC to agree inspection procedures and methodology and to review criteria.
- (x). The inspectors, led by the standards expert, will commence inspections using the systems developed.
- (xi). A special allowance needs to be provided to ensure inspectors fully sample the facilities/services of the operation.
- (xii). The output from these inspections will be assembled and reviewed on a monthly basis by the Standards Advisory Committee, who will advise and recommend any necessary changes.
- (xiii). There will be no change in the criteria until operators in Anguilla have been inspected once.
- (xiv). A second inspection of all properties by the inspectors will then take place. It is anticipated that the two inspections should take place within each calendar year.

- (xv) At each inspection the operator will be informed of the results; will be given a copy of the inspection report; and be advised of areas which fail to meet the required standard.
- (xvi) Consider outsourcing of some inspections (as is being done in Barbados and Dominica), partly to ensure objective appraisals and partly because it may be difficult to recruit staff with the necessary expertise.

The broader the scope of the regulatory system the greater will be the workload for those responsible for registration, licensing and inspection of tourism entities for compliance purposes. To overcome this problem, many countries have outsourced this work. Dominica, for example has outsourced inspections of some categories (e.g. Food & Beverage, Taxi Operators and Water Sports Operators) to more technically competent agencies such as Environmental Health, Police and Maritime & Fisheries authorities. This allows those responsible for Quality Assurance to devote more resources to compliance and provision of industry support. Similar arrangements may need to be put in place in Anguilla.

It should be noted that what is being recommended here is the establishment of minimum standards to be observed by all tourism-related operators in the relevant sectors. At this stage we are not recommending the immediate introduction of a grading system which might in any case be sub-contracted to internationally recognised external rating agencies. In Barbados, the Barbados Tourism Authority has recently entered into a formal arrangement - with the support of local hoteliers - for the American Automobile Association (Triple A) rating to become the national standard for the local accommodation sector. The new accreditation programme will be introduced in phases, first for hotels and, eventually, for other accommodation facilities such as apartments and villas. This follows the adoption of the highly-regarded Zagat rating survey for leading restaurants, bars, nightclubs, attractions and golf courses across the Island.

### **(iii) Technical and Other Support Required**

Technical assistance over a two year period. Likely cost: US\$350,000 to include administration and operational costs.

#### **11.5.2 Integrate Cultural Heritage**

As indicated in Section 8.1 previously, Anguilla's individual nature and heritage sites are not, at present, sufficiently strong attractions in themselves to be 'drivers' of demand. There is therefore the need for integration, both in delivering product experiences and raising awareness about and promoting the value of exploring and discovering the island. The real value of the investment will be achieved through integration strategies that present the sites in the context of an overall product experience.

In this respect three actions are necessary, viz:

- Investment in the nature and heritage sites to create visitor attractions.
- Linking these heritage sites in a rejuvenated Heritage Trail.
- Organised tours and excursions by well-trained, knowledgeable and friendly guides can make a significant difference to a visit.

In addition, a well co-ordinated visitor information package will help visitors to find their way to a variety of interesting sites, enabling them to learn more about and fully appreciate Anguilla's natural, historic and cultural heritage.

To which we would recommend that Anguilla develops and capitalises on its British Heritage – something which has considerable appeal to visitors from the United States and Central & South America.



**(i) Heritage Trail (existing)**

A Heritage Trail has been developed (mainly for use by motorists) that includes a number of historic sites around the island. The Trail has not attracted as many visitors as anticipated – partly because of lack of promotion by hotels and partly because some of the

listed attractions are not presented in an interesting way. The establishment of the Fountain Cavern National Park and the Wallblake Heritage Centre will create two ‘poles of attraction’ at either end of the Trail. Between these two ‘attractors’ are a number of communities, such as Crocus Hill, Island Harbour and East End which should be encouraged to become identified with a particular theme, product, historical site, etc., relevant to the area.

#### **(ii) Underwater Heritage Tourism**

There are 32 recorded shipwrecks for Anguilla whose accounts have survived history. Statistically this means that it is likely that as many as 120 vessels were lost around the island. In 2009, a team of archaeologists and divers from the Centre for Maritime Archaeology at the University of Southampton began documenting Anguilla’s underwater cultural heritage.

The survey identified a number of sites for further investigation (including El Buen Consejo, and a site off Dog Island).

A survey to locate and record these and other sites is needed to provide additional data on sites which may be sustainably developed for underwater heritage tourism.

Maritime cultural heritage on Anguilla can be expanded to include salt production areas, coastal fortifications, careening areas and submerged settlements (including Amerindian sites).

#### **(iii) Salt Museum**

Salt mining was a major industry in Anguilla between the 1760s and 1985, when production ceased. The main centre was at Road Pond in Sandy Ground where the Anguilla Road Salt Company Factory in its time was the main source of exports from Anguilla.

Opportunities to learn more about this industry are provided at the Heritage Museum in East End and at the Pumphouse bar/restaurant in Sandy Ground. During the tourist season, the



Anguilla Archaeological and Historical Society can arrange tours of the site which explain how the mining of the adjacent salt pond was carried out from both a mechanical and human viewpoint. Another tour offers a comprehensive look at the Road Pond, including the ecology of the salt pond and bird watching, as well as an in-depth look at the salt industry and how the ponds were harvested.

At the Pumphouse (which was formerly used to store and grind salt), some of the equipment which was used in the salt production process is displayed in the bar. Photographs illustrate how salt was picked from the pond flats, carried and stored for exportation. Otherwise, there is not a lot for the visitor to see. Unlike the 'Salt Museum' in Grand Turk, the Pumphouse does not offer visitors a 'rake your own salt' experience.

The establishment of a salt museum or salt mining exhibit is probably best done as an adjunct to a commercial salt production venture of which a number – focussing on the cosmetic market – have been put forward at Sandy Ground in recent years,

It is to be expected that the proposed new National Museum at Wallblake House will also have exhibits relating to the history of salt production in Anguilla.

### 11.5.3 Road Signage Improvements

- Three different signage designs, reflecting the three TDAs.
- Road markings need to be redone.

## 11.6 STRENGTHEN INSTITUTIONAL ARRANGEMENTS

A review of Anguilla's institutional framework for tourism is contained in the Interim Report. The review identified a number of shortcomings which are addressed in Ch. 13 – Institutional Framework for STMP Implementation.

## 11.7 IMPROVE PHYSICAL AND ENVIRONMENTAL PLANNING

Physical planning on Anguilla must be better attuned to development, planning procedures and environmental management. Tourism growth will put additional pressures on the planning process. These pressures will be compounded by growing environmental awareness and greater community participation in planning. Physical planning on Anguilla therefore needs to be substantially strengthened and emphasised in the development process since the island faces difficult choices about resource allocation and management of the environment.

It is vital therefore that TDA plans be prepared as soon as possible. TDAs are proposed to take an environmentally strategic view of tourism areas and lay down the first steps for future actions on the part of Government in achieving long term sustainable development.

### 11.7.1 Prepare National Physical Master Plan

A national physical master plan is required not only for national planning purposes, but also as a backdrop to TDA action plan and the recommendation to establish a coastal management zone.

### 11.7.2 Prepare TDA Action Plans

Three TDAs are proposed. The process for preparing each TDA Action Plan will be similar with the aim of evaluating the opportunities that the environment offers for tourism development and any constraints that the environment may impose.

#### ***Objectives and Approach***

The main objective of a TDA Plan is to ensure that development reflects all the environmental sensitivities of the site as well as the environmental protection requirements of the relevant authorities. Where required, appropriate changes are made to existing projects, proposed development policies, plans or programmes, or mitigation measures are identified in order to protect the natural and human environment of the area.

The plans will represent an important tool in the progress towards sustainable tourism development because they provide decision makers with information that allows them to make better informed decisions.

The plans will also provide an important link between the environmental component of tourism development and the detailed environmental impact assessment that are required for all new tourist developments and proposals. It is important to ensure that the Plans are undertaken at a strategic level. They would examine broad issues to inform strategy development as well as complementing, rather than overlapping with, previous and future studies.

The TDA plans will be an important part of the tourism development process, since they present the best opportunities to examine and compare alternative approaches, and hence to select the options that are best in terms of environmental and tourism objectives and long-term sustainability.

### **Methodology**

The TDA plans aim at characterizing the existing natural and human environment, scoping out insignificant environmental impacts, highlighting the most significant environmental (natural and human) resources at risk from existing and planned development, and identifying at a macro-level the most obvious/potentially significant impacts.

In order to sustain the TDAs it is important to understand the key environmental issues that can potentially influence (positively and negatively) the tourism growth and revenue in Anguilla. It is recognized that there are a number of pollutant sources located within or in proximity to these TDAs that can pose detrimental health and environmental risks.

For example, treated sewage discharge into the sea increases nutrient levels that can result in algae blooms and therefore affecting the water quality and aesthetics. Any untreated sewage discharge will release pathogens which are harmful for human health and therefore make the water unfit for bathing purposes. Similarly, any uncontrolled emissions from industrial units can also cause air, soil and (surface and ground) water pollution.

It is therefore recommended that the following two-staged approach is adopted in identifying the sources, types and effects/impacts of emissions in order to rank the issues of importance according to pre-determined criteria and then identifying options to avoid/mitigate the impacts.

The objective is to undertake a holistic view and identify common themes to be studied in each TDA. A development concept will be established and the key environmental concerns that affect its sustainability identified. This approach will also identify the issues that will not be of significant concern, thereby allowing time and money to be channeled toward important issues. The key tasks that will be undertaken during this stage are as follows:

- Carry out a site reconnaissance to make field observations to appreciate of each TDA's natural and physical surrounding and determine boundaries.
- Conduct a gap analysis by reviewing the relevant legislation and environmental data and identifying additional data requirements.
- Identify and engage with key public and private sector stakeholders through consultation to identify their issues of concern that should be considered in the study.
- Develop a matrix of key environmental issues for each TDA and rank them as significant or insignificant with adequate justification.

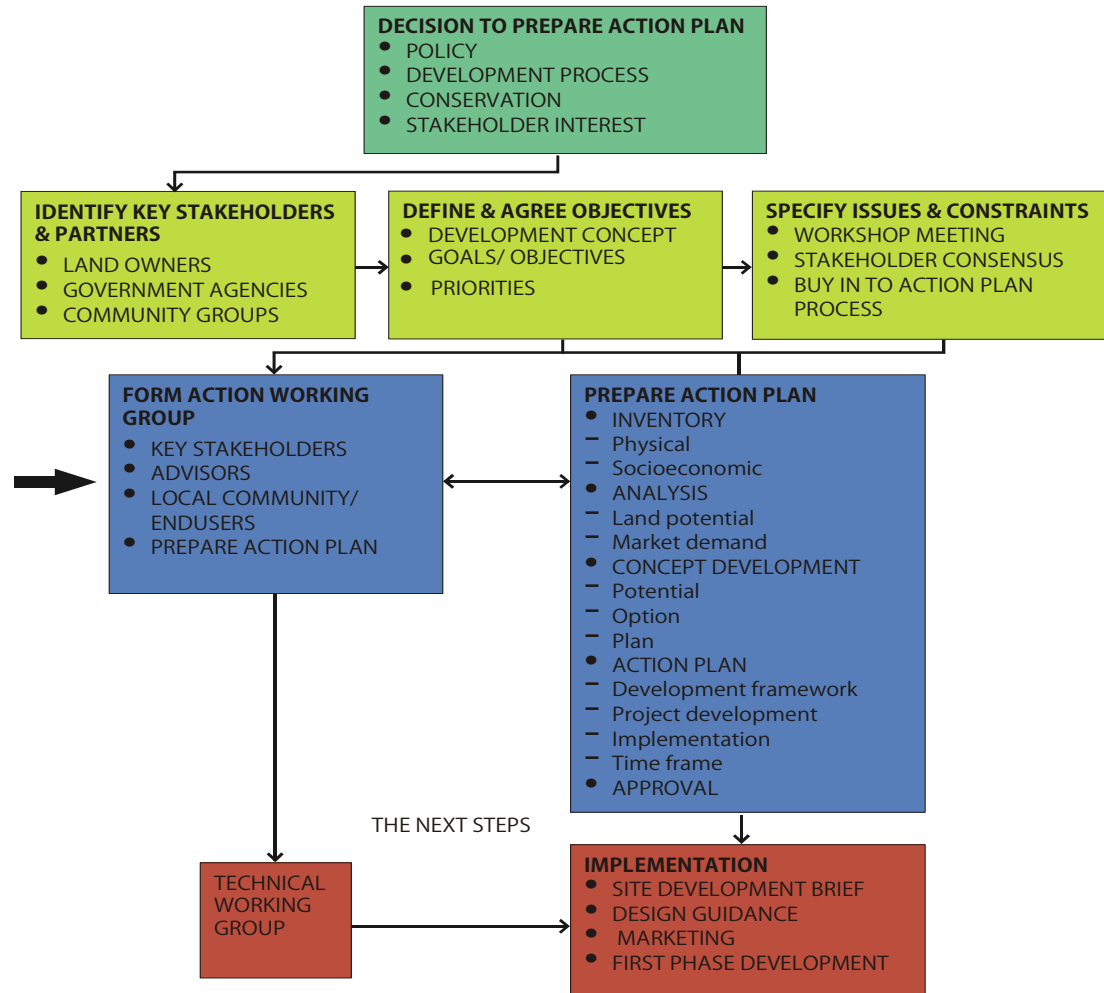
# TOURISM DEVELOPMENT AREA PLANNING

A HOLISTIC APPROACH.

## KEY TASKS:

- CARRY OUT SITE ANALYSIS - APPRECIATE DMAs NATURAL & PHYSICAL SURROUNDING & DEFINE BOUNDARIES
- CONDUCT GAP ANALYSIS - RELEVANT LEGISLATION/ ENVIRONMENTAL DATA/ REQUIREMENTS
- IDENTIFY, ENGAGE PUBLIC & PRIVATE SECTOR STAKEHOLDERS TO IDENTIFY ISSUES
- DEVELOP MATRIX OF KEY ENVIRONMENTAL ISSUES - RANK THEM AS SIGNIFICANT/ INSIGNIFICANT
- UNDERTAKE HIGH LEVEL REVIEW OF ENVIRONMENTAL MANAGEMENT CAPACITY - LEGISLATION, POLICY, INSTITUTIONAL STRENGTHENING
- ASSESS LANDSCAPE CHARACTER & HERITAGE IMPORTANCE- IDENTITY AREAS FOR PROTECTION
- DETERMINE TRAFFIC IMPACT
- PREPARE ENVIRONMENTAL PLAN
- DEVELOP TOR FOR FOLLOW UP WORK - BASE LINE SURVEYS, MONITORING, MITIGATION ETC.

## ACTION PLAN PROCESS



- Undertake a high level review of environmental management capacity to administer the environmental legislation at an institutional level and identify shortcomings and recommendations for policy development and institutional strengthening.
- Assess the landscape character and heritage importance of each TDA and identify areas for protection and enhancement.
- Determine development (including traffic) impact assessments of each TDA.
- Prepare comprehensive environmental sustainable land use plans for each TDA.
- Develop the terms of reference for each TDA which identifies the issues requiring further investigation and analysis during the second stage.

#### **Implementation**

#### **Cost Estimates**

To complete three TDAs: US\$ 300,000

#### **Management**

- Dept. of Physical Planning
- Ministry of FEDICT (propose Ministry of Tourism, Transport and Heritage).

#### **Technical Assistance**

- Physical tourism planning.

- Environmental and coastal planning.
- Master planning and urban design.
- Transport and infrastructure planning.
- Community planning and development.

#### **11.7.3 Prepare Area/Project Specific Action Plans**

##### ***Cove Bay National Park***

The objective of the Cove Bay Action Plan will be to strengthen the tourism assets of the bay and pond area and forge strong linkages with local hotel developments. The concept is to develop a Park as an educational resource accommodating a wide range of recreational activities dedicated to enhancing public education and knowledge concerning Anguilla's nature and cultural heritage product, conservation projects and research programmes.

A complete redevelopment programme is therefore proposed including physical improvements, themed activities such as a small visitor centre/shop, interpretative programmes for children (field visits), boardwalks, picnic areas and cultural events providing interest and entertainment for both school children and tourists.

The Action Plan will therefore:

- Enhance the area for tourism through site improvements, new development, public and private investment, marketing and promotion and whatever else are required to enhance tourism as a contributor to the Park's economic development.
- Development of standards and criteria that are to apply within the Park – these will include design guidelines for natural areas, activities and architecture.

- Identification of planning instruments needed to help achieve the desired outcomes.
- Development of a programme for implementation – this task needs to identify specific implementation responsibilities and include a co-ordinated implementation programme with specific priorities, estimated costs and funding.

Possible physical improvements will include:

- Visitor centre including toilet blocks.
- Interpretative trails.
- Equipment – play, bridges, walkways etc.
- Signs and information panels.

The Park to be truly successful needs to anticipate and manage human activities and experiences. By providing an awareness of the natural environment, values are taught that are necessary for the protection of the environment. The Action plan will be expected to advise on the primary interpretative resource for the Park, for example: what is special or unusual about the Park and what is particularly interesting, scenic or photogenic about the area, and advise on the design, content and location of sign and information panels.

#### ***Sandy Ground Village Action Plan***

The objective of the Action Plan will be to establish proper management of the bay and provide benefits for the resident community and surrounding villages. These benefits arise from employment, the creation of new businesses and the provision of better facilities at local level. The active participation of the community in the planning and development of the area will be essential for its long-term sustainability.

There is potential to increase spending by tourists through the careful development of Sandy Ground village. The waterfront in particular, has much more potential for providing a physical setting which is visually interesting, distinctive, comfortable and inviting for tourists and local residents.

The main thrust of the Action Plan will be to create an attraction for the island by enhancing its 'waterfront destination' potential, providing an amenity for both tourists and locals and form linkages with the salt pond.

It is therefore highly recommended that design guidelines and development briefs are prepared for the waterfront. These will set out policy, objectives, urban design, landscape, road access and parking, conservation and environmental considerations, phasing and management proposals for the beach area and hinterland.

A water use zoning plan will be necessary to provide a framework within which the many uses and proposals can be accommodated - motorised boat access, yachting, windsurfing, swimming, fishing, and the future location of a possible terminal for yachts and 'boutique' cruise ships.

#### ***Blowing Point Marina Action Plan***

The objective of the Action Plan is to review current plans for the area, ensuring integrated and sustainable development and thereby creating a new mixed use destination. Besides the regeneration of the ferry port, there is potential to develop a large marina and mixed use development. However, more information is required on the environmental impacts and market before a major investment is made in this sector.

The Action Plan will therefore:

- Review of design proposals for new ferry terminal.
- Review size and content of a marina – possibly geared to small scale nature of island – ferry boats, diving boats, fishing boats etc.
- Establish an environmental base and analysis of environmental conditions in and around the adjoining pond.
- Test the feasibility of providing a tourism development within the pond - content and scale (condos, vacation ownership, hotel, retail, recreational facilities, etc).

#### ***Downtown Area Development Action Plan***

The Valley has developed in an ad hoc manner making the place confused and unattractive. It has potential to become a vibrant place and night time experience with restaurants, coffee shops and bars.

The objective of the Action Plan is to regularise existing land uses and activities and maximise the tourism potential through an urban renewal and streetscape improvements of the main street to help sustain and reinforce the economic benefits of the area while improving the ambiance, amenity and public use.

The Action Plan will promote, through public participation, transparent, effective and responsible decision-making and formulation of a vision for the Main Street and immediate surroundings.

The Action Plan will therefore focus on:

- Promoting The Valley as a tourism centre and interface area that is attractive to both local population and tourists.
- Increasing the concentration of restaurants including a mix of multiple compatible interests including speciality retail, entertainment, arts and culture.
- Having distinctive day and night ambiances with 'life' and activity.
- Improving townscape and landscape features with the overall aim of enhancing the cuisine experiences.
- Improving traffic circulation, accessibility and sufficient and convenient car parking.
- Improving pedestrian safety, movement and linkages through partial pedestrianization.
- Identifying good redevelopment opportunities for mixed use/commercial development.
- Encouraging urban renewal of existing buildings for compatible development.

Consistent use of trees will create a united townscape framework as well as creating an inviting and comfortable pedestrian environment.

As described in Ch 10 earlier, the core elements of such a plan has already been outlined by Morlens Architecture Services and includes ceremonial and cultural plazas, landscaping and pedestrian areas.



### **Island Harbour Action Plan**

The objective is to establish the area as renowned cultural and heritage destination for the benefit of both the local community and visitor. The project will also promote a greater understanding of the marine resources among the local community, fishing community and dive community and both domestic and international visitors, together with the conservation and management issues implicit in increasing usage. Island Harbour will become the focus for these activities.

The Action Plan will therefore include a survey and analysis of the waterfront and surrounds to develop a programme to improve the tourism product and environmental quality of the area. Proposals in Chapter 10 included:

- Small visitor centre to be used as a focus for marine conservation and office for the marine park manager.
- Construction of jetty to be used by dive operators and local community.
- New boardwalk and associated car parking.
- Outdoor bar and restaurant.
- maritime museum.
- General beach cleanup (toilets, shade structures, planting, etc.) and maintenance programme.

A water use zoning plan will also be prepared. This will be necessary to provide a framework within which the many uses and proposals can be accommodated. The plan will designate areas for moorings, sailing, swimming, power boats etc.

The scale, design and layout of the development and facilities offered, will need careful consideration of the market, site constraints, and concerns and aspirations of the local community.

## **11.8 PRESERVE AND PROTECT THE NATURAL ENVIRONMENT**

### **11.8.1 Establish Coastal Management Zone**

As the beaches are the basis of the Anguilla tourism product, their protection and maintenance is fundamental. The Dept. of Fisheries and Marine Resources Report on the ***Status of Anguilla's Marine Resources, 2010***, recommends the following ameliorative measures:

- Strict control of the input of pollutants into the marine environment, especially from local sources.
- Salt ponds not to be connected to the ocean as they collect and store organic nutrients.
- Dunes not be removed as they trap particulates, restrict sand movement, and act as a sand bank to replenish beaches after storm events.
- Protection of coastal flora (which absorbs nutrients carried in rain water runoff and reduces beach erosion).
- Regulation of septic tank construction to restrict their proximity to the coastline, and encourage their proper maintenance.
- Strict enforcement of the policy guiding development setbacks.
- Regulation of beach lighting to reduce its impact on nesting turtles.
- Full assessment of all other potential sources of pollution, including the Corito Bay landfill site.

Consideration to be given to a national water treatment facility, including provisions to cater for waste from marine vessels.

- Stricter controls, including greater surveillance and spot checks on holding tanks, to address the dumping of waste water at sea; and
- Updating of fisheries legislation to help sustain established fisheries into the future.

A coastal management zone needs to be established around the entire island.

#### **11.8.2 Framework to Encourage Sound Planning and Environmental Practice**

To encourage sound planning and environmental practices by tourism developers and operators, prescribed guidelines are required, which would

- Provide government with an understanding of the characteristics of sustainable tourism development.
- Provide guidance on the preparation of development proposals that will be commercially viable and socially and environmentally responsible.
- Illustrate how developers and operators can improve their product to meet best practice environmental planning and management.
- Establish a basis for improved communication between Government and developers on ways to enhance the tourism product.

#### ***Proposed Guidelines***

Investment and the economic viability of tourism depends in a large part on the quality of its natural resources – beaches, clean water, relatively undeveloped coastlines and access to recreational opportunities and facilities. Inappropriate, poorly planned and poorly managed development will undermine the real advantages of the TDAs as a focus for tourism and recreation.

There will also be opportunities in the future for the redevelopment or re-positioning of existing tourism facilities. As markets change and as economies emerge from difficult times, there will be a need to enhance opportunities for investment. Developers and investors must evaluate the viability of their projects.

The challenge is to stay ahead of the competition and to infuse many aspects of design and operations with the environmental character. This involves developing a theme or story line into the physical environment and using every element of design including architecture, signage, landscape, and the ‘greening’ of hotel operations.

Proposed Tourism Development Guidelines are outlined in Addendum 19.1. They are intended to stimulate appropriate design approaches while acknowledging environmental issues and to act as a checklist for developers and operators in the promotion of a quality sustainable product.

A set of general criteria, comprising both sustainability objectives and planning guidelines, which also cover a range of development types is also recommended. These criteria should be applied to each particular site, so that the specific design parameters relevant to the envisaged development can be defined in the design brief. The approach to sustainability is holistic - incorporating, energy and infrastructure, waste, water, transport, green infrastructure and material use, public and social space and economic considerations to create a more responsible development.

The approach to sustainability does not aim to curb development, but rather to direct development by answering three basic questions:

- Where should the development be located?
- How should the development be arranged?
- What should the development look like?

It is critical therefore that there is consultation with Government and other relevant agencies in the approval process. This consultation through the proposed Action Planning process, will force developers to assess if a proposed development is compatible with planning intentions for the area, surrounding patterns of development, access and the provision of services. Community consultation is also essential if a development proposal is to receive local support.

### 11.8.3 **'Greening' of Hotels**

The accommodation sector can provide the most visible evidence to tourists that they are on a 'green' island, i.e., a destination that manages its natural resources sustainably and takes pride in ensuring that there are no negative environmental impacts from the operations of the tourism sector. That evidence will be made manifest by ecolabels and green awards earned by the accommodation and services sector.

The tourism sector in Anguilla needs to become better informed about the procedures for obtaining accreditation for improved environmental management. Once the process is undertaken, hotels and tourist services can expect to begin to receive environmental awards. Essentially, the hotels and service entities will be adopting environmental management systems (EMS) that meet international standards, such as those established by ISO

14001 for all economic activities and by Green Globe specifically for the tourism sector.

The process can be undertaken individually, as is generally the case with independent hotels, or collectively, as was done by an unrelated group of hotels in Jamaica and has been done by hotel chains, such as Inter-Continental. Because of the relatively small size of most hotels in Anguilla, a collective approach would be the most cost-effective, especially in the West TDA. Obviously, though, decisions as to whether to join the process would be entirely voluntary.

Much information is currently available on the subject, providing examples of good practice around the world. There are numerous technical papers on specialised aspects of 'greening', for example, waste water management; energy-efficient lighting; reducing kitchen waste; heating, ventilation and air-conditioning etc. A large number of websites also provide information on the subject. But, the hotels and service sector in Anguilla will benefit from a specific programme that assists establishments in contacting the sources, in interpreting the information and in drawing up an appropriate EMS.

The aims of the programme are twofold:

- a) To improve and reposition the hotel product in terms of 'green' operation.
- b) To consolidate infrastructure and utility services

#### ***'Greening' of Operations***

The objective of the first component of the programme is to establish in Anguilla the procedures for obtaining accreditation for improved environmental management. This will lead to better environmental awareness amongst staff and visitors and in the long-term will improve profits.

AHTA should take the lead in this process, but should be assisted by a donor agency. One possible donor is the UNDP. Ideally, the donor agency should fund the services of an expert in 'greening' of hotels and services, who will make periodic visits to Anguilla after an initial period to train the hotel and service operators in improved management. Guidelines for the hotels and service sectors will be prepared that are specific to conditions of Anguilla.

The role of the expert will be to assist managers to introduce an EMS, no matter how small the operation, and then to train them and the staff to integrate the system into the daily operations of the hotel or tourism service. The introduction of the EMS improves management generally not just environmentally, normally leads to improved profits and also has an impact on environmental behaviour in the households of the employees.

The steps for the programme will include:

- Collection of data relevant to Anguilla.
- Identification of participants.
- Preliminary audit of each participant: energy and water use, wastewater generation and disposal, solid waste generation and disposal, use of chemicals, and management and staff practices.
- Determination which accreditation system to apply for.
- Training of hotel and service managers in adopting an EMS appropriate to their establishment. The expert develops manuals appropriate for different establishments, for example, resort hotels, villas, condominiums etc.
- Implementation of the EMS until it is fully integrated into daily management policies.

- Inspection by the accreditation agency, with the presence of the expert.
- Promotion campaign to advertise its accreditation and begin to compete for 'green' awards.

#### **Consolidation of Infrastructure and Utility Services**

The second component of the programme will be to investigate the potential of consolidation/integration of power and water provision to the West TDA. This is likely to reduce cost and increase efficiency over the long term and will include studies on:

- The siting and provision of package desalination plants and sewage treatment plants to serve clusters of hotel properties.
- The siting and provision of a central waste plant (collection, separation, crushing etc).
- Undergrounding of secondary power cables.

The programme will need to identify specific implementation responsibilities and include a co-ordinated implementation programme with specific priorities, partners, estimated costs and funding. Much of this work could be undertaken as part of the overall West TDA plan.

#### **Estimated Cost**

Costs for the 'greening' of operations fall into following categories:

- Fees for the audit will be borne by each establishment.
- Costs for purchasing equipment and materials that are environmentally benign will be borne by each establishment or group, possibly through the aid of grants etc.

- Fess for the environmental expert time spent training staff on the use of the EMS.

Cost for consolidation of infrastructure and utility services are unknown at this stage and will be determined after feasibility studies.

### **Management**

Key stakeholders:

- Hotel owner/operator/management.
- Utilities.
- Anguilla Conservation/Environmental Management Agency.

## **11.9 BETTER INTEGRATION WITH COMMUNITY AND ECONOMY**

### **11.9.1 Improve Tourism and Environmental Awareness**

The growth and expansion of the tourism sector will need to be underpinned by a broad tourism and environmental awareness programme if it is to be successful. Although the environment can be protected to some extent by legislation and regulations, these are reactive measures. The ideal situation is one where people have an appreciation and positive interaction with the environment.

It is also important to sensitise communities and the population in general to the nature of tourism – how tourism benefits the country, how individuals and communities can benefit from tourism, etc – in order to manage expectations. While the objective of spreading the economic benefits from tourism to communities is a valid one, this aim is neither easily not equally achieved for all communities. As a result there is a danger of unrealistic expectations turning into

disillusionment for some communities or mistrust of tourism as a strategy for economic development.

The elements of this programme would include:

- Leaflets on the value of tourism to the country and to communities.
- Leaflets on how to treat tourists.
- Regular 'clean-up' campaigns
  - annual 'tidy communities or villages' competition.
- Radio/t.v. tourism programme.
- Tourism awareness week.
- Tourism Awareness courses directed to various stakeholders (secondary tourism suppliers, schools, customs & immigration etc).
- Booklet on careers in tourism for Anguillians.

### **11.9.2 Improving Linkages**

At present, the economy of Anguilla is characterized by both a low level of linkage between the tourism sector and other economic sectors, and a correspondingly high level of leakage. Ch. 13 of the Interim Report examined how such linkages can be strengthened in three sectors in particular, - namely, Agriculture, Fishing and Handicrafts – where considerable unexploited potential was shown to exist. Specific actions for increasing linkages between tourism and Fishing and Handicrafts have already been described in the priority projects for Island Harbour and Wallblake House in Chapter 10 of this report. This section focuses on what can be done to help farmers to increase sales to the local hospitality sector.

### **Project Context**

The agricultural sector in Anguilla is quite small with crops mostly grown on plots averaging a few acres or less. In all, there are only 637 acres of arable land in Anguilla of which 108 acres is Crown land. The National Farmers Association (NFA) has about 45 members (out of a total of around 100 farmers but not all of these are full-time). In 2009, the gross value added of the agricultural sector (crops and livestock) amounted to EC\$ 2.35 million (representing only 0.34% of total GVA), with livestock generating almost three times as much as crop production. The modest production is almost entirely used for domestic consumption.

Imports of fruit and vegetables greatly exceed local production. In 2009, the total value of fruit and vegetables imported into Anguilla was EC\$25.45 million (more than ten times the value of local production). To give just one example, in terms of volume, the island imports around 110 tons of tomatoes each year, but local farmers are only producing 15 tons. Clearly, local production at present falls short of meeting demand. This is all the more surprising since a wide range of fruit and vegetables can be grown quite easily on the island. The question is why does this not happen on a significant scale?

There is need to tap into the hotel & restaurant market more aggressively and to put in place a well thought-out agricultural policy (e.g. such as exists on Antigua and Nevis). There is also need for more co-ordination to ensure consistent quality and guaranteed supply to meet industry's demands. During the dry season farmers are not always able to guarantee supplies - periods of insufficient supply are often followed by gluts in the growing seasons. There is need not only for enhanced storage facilities but also to encourage increased production of post-harvest products, such as sauces and ketchups. However, above all, there needs to be concerted approach to the hospitality industry to purchase more agricultural produce from local farmers.

This approach would be best co-ordinated by the NFA. Among the challenges NFA faces are the lack of a dedicated manager and insufficient training for roles and responsibilities, especially in sales and marketing.

### **Content**

Following discussions with NFA representatives, the following initiatives have been identified

- Institutional Strengthening for the National Farmers Association.
  - recruitment of technical assistance;
- Development of a comprehensive and sustainable agricultural policy (including provision of grants and agricultural sector incentives).
- Preparation of holistic MoUs between the NFA, Government and the hospitality sector to facilitate greater local production and marketing.
- Outreach programmes to local hoteliers to help producers enter the supply chain e.g.
  - increased local advertising of procurement needs;
  - use of smaller contracts more suitable for small producers with less capital;
  - more attractive payment terms (e.g. cash on delivery);
  - provision of advice on product requirements and standards; and
  - help with acquiring the right seeds or tools.

(Benefits to the hotels can include improved customer satisfaction through more diverse choice; enhancement of brand as company becomes known for its involvement with the local community;



greater local support and reduced petty crime; and cost savings in those cases where local supplies are cheaper).

- Depot and Cold Storage facility for products.
- Processing and post harvest training, development and infrastructure.
- Organisation of an annual Agricultural Exhibition or Show in late June - early July which would showcase the productive capabilities of local farmers to the hospitality sector.

**Estimated Cost**

A budget of US\$100,000 is envisaged for the first year. It is expected that the cost of technical assistance would be met by DFID or some other agency.

**Action**

A practical first initiative would be the recruitment of a technical adviser to initiate and oversee the implementation of the project. The appointed person would also be available to assist with the formation of a Fisherman's Cooperative at Island Harbour.



[\*] Information contained in this document which is considered to be commercially sensitive has been deleted

## **PART IV ORGANISATION AND IMPLEMENTATION**

## 13. INSTITUTIONAL FRAMEWORK FOR STMP IMPLEMENTATION

### 13.1 ORGANISING FOR GROWTH

The development of Anguilla's tourism will not simply happen. It has to be stimulated and directed, and the activities of the various tourism and tourism- related organisations coordinated.

Four elements are necessary – national recognition, a champion, a steering group and a project management unit.

#### 13.1.1 National Recognition

Recognising that tourism (including cultural/heritage) and access transport will be the main drivers of the economy over the decade, the sector's national importance should be recognized by establishing a Ministry of Tourism, Transport & Heritage, and the associated position of Minister for Tourism, Transport & Heritage.

As outlined in the Interim Report, the Government of Anguilla has already established a **Tourism Unit** within the Ministry, with responsibility for:

- National tourism planning\*.
- Research.
- Quality assurance.
- Product development.

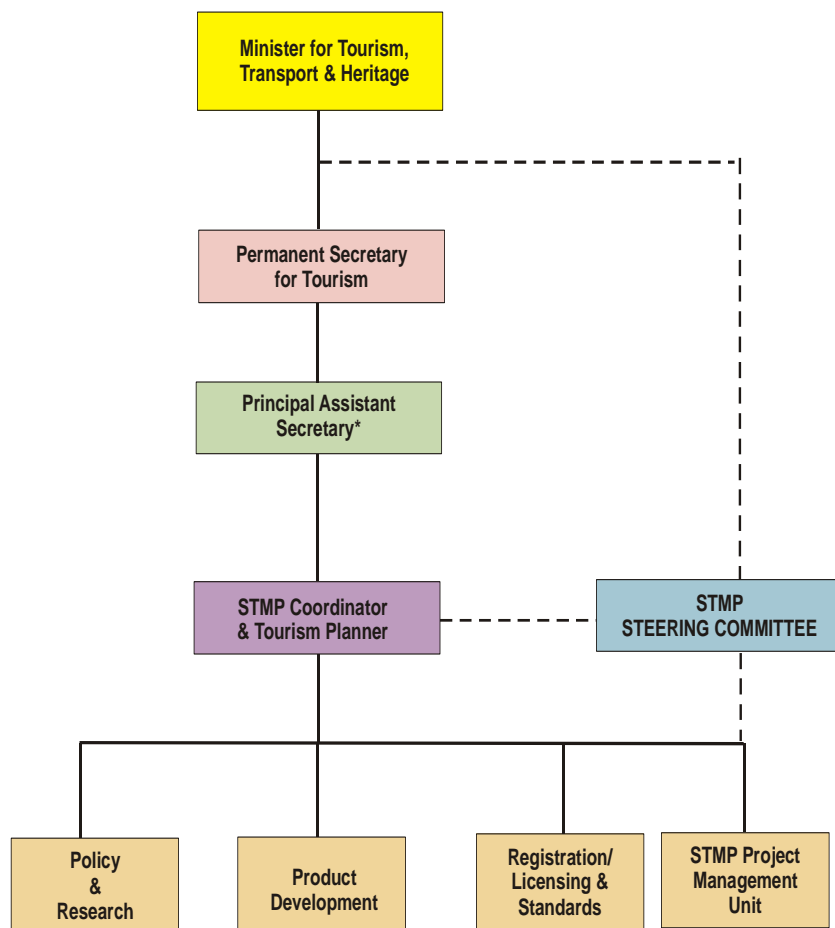
\*including monitoring & evaluation investments

Although recognizing that the Tourism Unit is not yet fully staffed, we recommend the team at the Tourism Unit lead the implementation of the STMP, functioning in the short term as a Project Management Unit (PMU). Further, we recommend that in the medium to long term, the PMU be transformed into a Ministry and its remit expanded in order to address the challenges facing the tourism sector over the next decade. The additional functions should include:

- Implementation of the STMP.
- Policy formulation.
- Registration/licensing of tourism businesses and standards.

The policy and research function would relate to such matters as articulating Government's position on access transport, HRD; researching the economic and social impact of tourism etc.

Market research and the analysis/interpretation of statistics should properly be the function of the Anguilla Tourist Board, whose primary role is destination marketing.



\*function currently being undertaken by the Tourism Sector Development Project Coordinator

### 13.1.2 Champion

To get ‘buy-in’ by all stakeholders, the STMP needs to be championed. The STMP vision, the strategy and the benefits from development need to be constantly articulated and elaborated, and its implementation encouraged by a senior figure in authority – the Minister for Tourism, Transport & Heritage.

### 13.1.3 STMP Steering Committee

As described in the Interim Report, there are many organisations in both the public and private sectors with responsibilities and active participation in tourism. The many actions that have been identified in this STMP will involve a large number of these organisations in their implementation. In order to ensure that the implementation process is conducted in a coordinated and timely manner, and to ensure that key actions actually are implemented, it is recommended that a special purpose body be created – **the STMP Steering Committee**. This should be a high-level body working to a tight terms of reference and within a defined life span with the overall goal of monitoring, promoting and energising the implementation process.

#### **Terms of Reference**

The following is a draft terms of reference for the STMP Steering Committee.

The overall goal is to drive forward and give best effect to the implementation of the STMP and the actions that form part of it. In this context, the specific brief of the STMP Steering Committee will be as follows:

- To advise Government on the implementation of the STMP.
- To publish a report on its work and on progress with the implementation of the STMP at six monthly intervals.

- To ensure that the STMP Action Plan is seen as an integrated set of actions requiring a coordinated and partnership approach across departments, agencies and the private sector.
- To discuss with lead actors their operational plans for, and commitments to, the implementation of actions falling within their remit including key indicators against which performance will be measured.
- To highlight any constraints to progress and recommend how these might be addressed and by whom.
- To monitor progress and to recommend any changes that should be made to the STMP Action Plan in the light of experience and evolving circumstances as it is rolled out.

#### **Structure**

The Steering Committee must be an authoritative body and therefore its membership should comprise top-level representatives of the public and private sectors. It should have an independent chairperson and a total membership of not more than seven to ten persons. The Committee will report to Government, through the Minister for Tourism, Transport & Heritage.

The Committee will not need its own organisation structure but should be serviced by the Ministry (meetings, report drafting, secretarial services etc – see 13.1.4 below). It should meet on a monthly basis and may set up its own sub-groups to focus on particular issues and to meet with representatives of individual bodies and organisations critical to the development of tourism both at Government and industry levels. It is expected that the Committee, in fulfilling its remit, will consult widely and regularly with key representative groups and enterprises associated with tourism in Anguilla, and with government departments and agencies whose policies and actions have a significant impact on the development of tourism.

#### **13.1.4 STMP Project Management Unit**

Recognizing that the members of the Steering Committee will be senior officers/representatives having other responsibilities, we recommend the setting up of an STMP Project Management Unit with responsibility to initiate, guide and coordinate STMP implementation.

The principal functions of the STMP PMU would be:

- Preparation of detailed work plans, budgets and responsibilities.
- Advising private sector groups and communities on programmes and project implementation.
- Guiding, monitoring and advising the Anguilla Tourist Board on formulation and implementation of destination promotion strategy.
- Preparation of policy and research papers on various tourism issues such as air access, new airport, etc.
- Liaison with relevant government departments and agencies involved in action plan implementation.
- Coordination and administration of all STMP technical inputs and work elements.
- Resource coordination with donor agencies re support for specific components of the STMP.
- Act as a secretariat to the Steering Committee.

The Steering Committee should have an initial life of three years at which time its own composition and brief might be reviewed and renewed. The cost will not be significant, as no staff or other overheads are envisaged. Meeting and travel expenses might amount to, say, US\$5,000 per year.

#### **13.1.5 Technical Assistance**

A technical advisor is required for a period of 3 years to provide support and capacity building to the PMU.



## 13.2 REFOCUS THE ANGUILLA TOURIST BOARD

### 13.2.1 Statutory Situation

As described in the Interim Report, The Anguilla Tourist Act, 2000 which establishes the Anguilla Tourist Board, is an example of international best practice with regard to the drafting of legislation setting up tourism institutions. The act conceives of the ATB as being the executive arm of the Ministry and empowers it to undertake almost any function (to include destination marketing, HRD, product development, quality assurance, market research) which has the objective of furthering the development of tourism to Anguilla.

In prescribing the composition of the Board of the ATB, the Act ensures that the members so appointed are representative of the wider tourism industry. However, the ATB board composition is deficient in one major respect – there is no provision for representation of the Ministry's interests.

Nevertheless, it is a sound piece of legislation which should stand the test of time in that it is flexible enough to deal with any changed circumstances which may require the ATB to undertake different activities for the development of tourism.

In this respect it is important to note that just because the Act empowers the ATB to undertake almost any function for the development of tourism does not necessarily mean that it should undertake them all. Different circumstances at different times will require the ATB to focus on one or a number of the functions for which it is empowered. These circumstance may be market related, product related, HRD related or, indeed, funding related.

### 13.2.2 Present Position

Currently, the functions exercised by the ATB relate to destination marketing, product development, HRD (mainly tourism awareness for schools) and until recently, festival coordination/support. With a limited budget of EC\$ 8M, it is not possible to give adequate

attention to all of these functions – a fact which is recognized by the ATB in how it allocates its resources. The ATB 'Product 2009' presentation indicates that only about 3% of the budget is allocated for product development and HRD, with a further 5% allocated to festival activities. The balance is allocated to promotional activities.

With regard to destination marketing, as outlined in the Interim Report, the ATB's efforts are less than optimal. Our overall assessment is that the ATB's current marketing strategy is not as effective as it should be given its spend of about US\$4 million (2010). Targets for the various markets are not set and there is no annual or regular performance review. The marketing budget is spread too thinly over too many markets. Anguilla's web-site has a number of significant shortcomings – poor imagery, no reference/links to the UK, German and Italian markets where the ATB has representation, spelling mistakes in text, no map of the island – all of which does little to enhance Anguilla's image of an upscale sophisticated destination. No specific resources are allocated to web-site development and e-marketing and no resources allocated to research and planning – key functions for an effective national tourist organisation.

### 13.2.3 Refocusing and Reorganising ATB's Functions

Firstly, we recommend ATB focus its efforts on destination marketing only. Secondly, reflecting the requirements of the recommended marketing plan (Chapter 12), the ATB's functions should be organised into three sections as illustrated on Figure 13.1

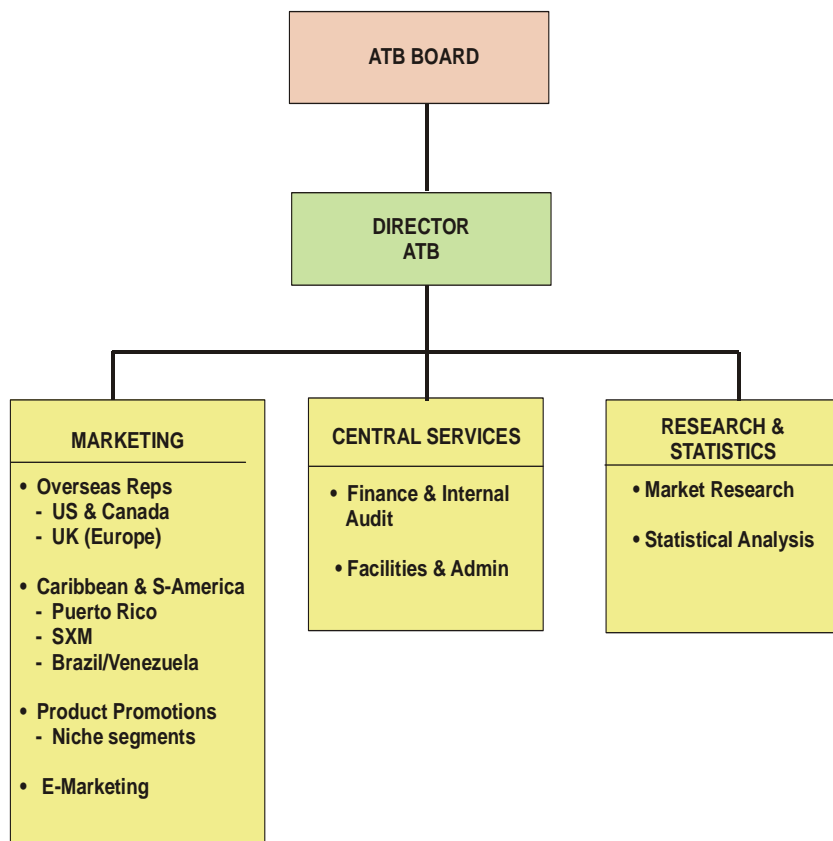
### 13.2.4 Statutory Implications

To give effect to the refocusing and reorganisation of the ATB's functions, we recommend an amendment to The Anguilla Tourist Act, 2000 which would limit the ATB's functions to destination marketing and product promotion and provide for Ministry representation on the Board of the ATB.

### 13.2.5 Technical Assistance

Currently, technical ‘know-how’ at the ATB is very weak. A technical advisor in marketing management is required for a period of 2 years to provide support in systems development and capacity building to the ATB.

**Figure 13.1: Recommended ATB Organigram**



### 13.3 ENVIRONMENT MANAGEMENT AGENCY

As the principles of sustainability will underlie Anguilla’s tourism development strategy, there is a fundamental and urgent need for environmental protection and management to be given a more important role, through not only the strengthening of existing government departments and agencies but also establishing a new body to manage the key protected areas and the natural resources of the coast where tourism takes place.

The reorganisation of the Dept. of Environment into an Environment Management Agency (Executive Agency) by combining the regulatory functions of other departments/agencies (DFMR, DPP, Public Health, ANT etc) to manage Anguilla’s environmental resources is recommended.

#### Mission

To protect and manage the island’s natural resources, while allowing ecologically sustainable use, for the benefit of future generations, and for the varied groups and individuals using the parks, protected areas and coastal resources under the control of the Authority.

#### Responsibilities

- Existing and proposed protected areas.
- Marine parks.
- Coastal zone including all beaches, fringing coral reefs, bay and outer islands.

#### Scope of Activities

- Enforcement of legislation and other rules and regulations.
- Maintenance.
- Research and monitoring.

- Education.
- Advisory services.

### **Organisational Structure**

Chairman, Board of Directors, Executive Director and Management Team.

### **Financial Resources**

Income for park management can come from a variety of sources such as government subsidies, admission fees, fees for service, grants, donations and revenues from franchises.

## **13.4 STRENGTHEN PHYSICAL PLANNING DEPT**

As indicated in the Interim Report, our assessment (and indeed the Department's own view) is that staffing and equipment are currently inadequate to discharge the range of responsibilities assigned to this department. The requirements are for:

- Capacity building within the Department.
- Technical assistance to move from present analog system to a digital system in order to support GIS.
- Existing map supply is exhausted and needs updating.
- Establishment of new Land Register.
- Equipment (hardware and software).
- Technical assistance.

Total cost in region of US\$1M over 2 to 3 year period.

## **14. FINANCING OPTIONS**

### **14.1 FUNDING SOURCES**

The initiatives indicated in Part III of this report combine a series of projects that have once-off development costs, with some initiatives requiring multi-annual support. The latter include the proposed Ministry of Tourism Transport & Heritage and the STMP Steering Group. There is also the substantial increase in operational funding required by the ATB for marketing purposes.

The primary sources of funds for tourism development are:

- The Government.
- Private Sector.
- UK and EU funds.
- Caribbean Development Bank.
- Donor Agencies.

#### **14.1.1 Government Funding**

This will be the primary source of funding for the ATB which will require a considerable increase in its marketing budget in order to achieve the tourism growth targets outlined in Chapter 5.

At present, only a small proportion of the total tax revenues generated by tourism are returned to this sector for tourism promotion purposes (see Chapter 16 for estimates of tourism's tax contribution). While cognizant of the other demands on the public purse and Anguilla's comparatively narrow tax base, the potential return on investment in tourism marketing in terms of higher rates of economic and fiscal growth will more than justify the allocation of additional resources for this purpose.

#### **14.1.2 Private Sector**

The private sector collects and contributes a share of funding for tourism development through the room tax, import taxes and other charges and fees. It also is the primary investor in tourism product development, and this will continue in the future.

#### **14.1.3 UK and EU Funds**

##### **(i) United Kingdom**

The provision of direct development assistance from the United Kingdom ceased in 2005. However, the UK Government remains committed to providing emergency aid in response to natural disaster situations and the Overseas Territories Programme Fund (OTPF) provides strategic funding to help to maintain the security, governance and prosperity of the Overseas Territories. Anguilla has access to this fund. During 2010, the UK Government commissioned both revenue and expenditure studies for the GOA.

Initiatives in education, training and community tourism could attract support from UK (DFID) funds.

##### **(ii) European Union**

The European Development Fund (EDF) is the main instrument providing EU aid for development cooperation with the Overseas Countries and Territories (OCTs). It finances any projects or programmes which contribute to economic, social or cultural development and consists of several instruments, including grants, risk capital and loans to the private sector.

The EU has provided assistance to Anguilla since 1976 through the 4<sup>th</sup> to 9<sup>th</sup> EDF cycles to a total of €21.8 million.

Through the 4<sup>th</sup> to 8<sup>th</sup> EDF cycles, a total of €9.55 million was allocated to Anguilla. This assistance was focussed on the upgrade of infrastructure and major projects funded were the construction of Road Bay jetty; a new electricity power station; road improvement; development of the water supply, storage and distribution system; and a road development programme intended to improve the access to commercial and tourism sites. Under the 9<sup>th</sup> EDF cycle, Anguilla was allocated €12.24 million. A programme for Sectoral Budget Support was prepared for the implementation of the Medium Term Air Transport Plan, namely technical and managerial improvements to the Ports systems.

Under the 10<sup>th</sup> EDF, €11.75 million has been allocated to Anguilla for the period 2008 – 2013. A Programme for General Budget support is being prepared which will provide support for the implementation of a Medium Term Economic Strategy (national strategy) that focuses on economic and social reforms.

There is an opportunity to attract a significant contribution towards the project initiatives outlined in Chapters 11 and 12 under the EU funded 11<sup>th</sup> EDF.

A number of the recommended initiatives could be packaged together to constitute a tourism development programme under which capital projects and technical assistance would be funded.

#### **14.1.4 Caribbean Development Bank**

The CDB is a potential source of long term loan finance for infrastructure developments.

The last major CDB loan was in 2003 when it provided EC\$9.9 million in loan funds for the rehabilitation of roads damaged by Hurricane Lenny in 1993. The CDB has indicated that it is prepared to support Anguilla's economic development needs and has recently funded technical assistance in the areas of port development and community college development as well as offering loans for further development in these areas.

The CDB is currently providing assistance through a policy-based loan to the GOA in the amount of US\$55 million and is financing the preparation of the Sustainable Tourism Master Plan – Vision 2020 for the GOA.

It is understood that CDB is prepared to provide financial support for the new Blowing Point Ferry Terminal. This was put temporarily on hold pending the resolution of the impasse between GOA and the UK Government over approval of the 2011 Budget. This has now been resolved.

#### **14.1.5 Donor Agencies**

These include the CTO (which acts as a conduit for funds provided by other agencies (especially the EU)).

The coordination process between Anguilla and its development partners is for the most part driven by Anguilla with national responsibility for donor coordination vested in the Ministry of FEDICT. The acceptance of any loans or financial assistance from financial partners other than the EU is subject to the approval of the UK Government.

#### **Caribbean Tourism Organisation**

Anguilla can access donor-funded technical assistance programmes that are administered through the Caribbean Tourism Organisation. For example, the report on the *Impact of Visitor Expenditure on the Economy of Anguilla in 1998* (Caribbean Tourism Organisation, March 2001) was funded under the EC regional programme which also provided assistance to member states re (including Anguilla) in the areas of training, statistical and management information systems and marketing. Anguilla also benefits from participation in CTO's joint marketing with the Caribbean Hotel and Tourism Association.

### **United Nations Development Programme**

The United Nations Development Programme (UNDP) has confirmed that they will provide assistance to facilitate the preparation of the Poverty Reduction Strategy Paper (PRSP) following the imminent completion of the Country Poverty Assessment. They have also been approached to assist in the preparation of a longer term National Development Strategy/Plan.

The UNDP have also indicated their interest in supporting the recommended 'Greening of Hotels' programme (Donor's Forum, 4<sup>th</sup> Oct, 2011).

### **Canadian International Development Agency**

In the past, the Canadian International Development Agency (CIDA) has funded a number of tourism programmes in Caribbean countries. These have been mainly to provide technical assistance, but have also included some mission-administered tourism infrastructure projects (e.g. restoration of heritage attractions).

## **14.2 FUNDING STMP INITIATIVES**

Possible funding options for the recommended STMP projects and programmes are shown on Table 14.1.

### **Resource Mobilization**

Anguilla should adopt a more pro-active approach to mobilizing resources for the recommended STMP initiatives.

We recommend the designation of a Ministry official within the Chief Minister's office to actively seek out and mobilize resources from a wide range of donor agencies – national, multi-national, private sector foundations etc. A small budget to cover costs in respect of travel to the headquarters of these agencies would be necessary.



Table 14.1: FINANCING OPTIONS

Category	Type of Project	Components	Financing
<b>A. Economic Infrastructure</b>			
A1	Airport Development Clayton J. Lloyd Airport	<ul style="list-style-type: none"> <li>• Upgrade of terminal facilities</li> <li>• Extension of runway</li> </ul>	<ul style="list-style-type: none"> <li>• AASA</li> <li>• AASA</li> </ul>
A2	Ferry Port Development	<ul style="list-style-type: none"> <li>• New terminal building with retail facilities</li> </ul>	<ul style="list-style-type: none"> <li>• CDB</li> <li>• BOT Operator</li> </ul>
A3	Yacht Marina and associated real estate/ retail development at Blowing Point	<ul style="list-style-type: none"> <li>• Facilities for provisioning</li> <li>• About 125 'slips'</li> </ul>	<ul style="list-style-type: none"> <li>• Private</li> </ul>
A4	Yacht Marina at Road Bay	<ul style="list-style-type: none"> <li>• About 50 berths</li> <li>• Dinghy dock</li> </ul>	<ul style="list-style-type: none"> <li>• Private</li> </ul>
<b>B. Tourism Facilities</b>			
B1-B13	New Resort Developments/ Redevelopment	<ul style="list-style-type: none"> <li>• Under development</li> <li>• Temporarily on hold</li> <li>• Indefinitely on hold</li> </ul>	<ul style="list-style-type: none"> <li>• Private/M'gt contract</li> </ul>
<b>C. Tourism Attractions</b>			
C1	Island Harbour Heritage Village Regeneration	<ul style="list-style-type: none"> <li>• Maritime museum</li> <li>• Genealogy research centre</li> <li>• Waterfront enhancement/ redevelop</li> </ul>	<ul style="list-style-type: none"> <li>• Donor</li> <li>• Private</li> <li>• Gov't</li> </ul>
C2	East End Village Restoration	<ul style="list-style-type: none"> <li>• Interpretative centre at restored Old School building</li> <li>• Upgrade pond for bird watching</li> </ul>	<ul style="list-style-type: none"> <li>• UK/EU</li> <li>• Gov't</li> </ul>
C3	Wallblake Heritage Village	<ul style="list-style-type: none"> <li>• New national museum</li> <li>• Arts and crafts shops</li> <li>• Café and meeting place</li> </ul>	<ul style="list-style-type: none"> <li>• UK/EU</li> <li>• Gov't</li> <li>• Private</li> </ul>
C4	Fountain Cavern	<ul style="list-style-type: none"> <li>• Visitor/ interpretative centre</li> <li>• Arawak houses</li> <li>• Retail/crafts</li> </ul>	<ul style="list-style-type: none"> <li>• CDB?</li> <li>• Donor</li> <li>• Private</li> </ul>
C5	Cove Bay National Park	<ul style="list-style-type: none"> <li>• Sand dune conservation</li> <li>• Public recreational facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Gov't</li> <li>• Gov't</li> </ul>
<b>D. Other Projects</b>			
D1	Heritage Trail	<ul style="list-style-type: none"> <li>• Existing</li> </ul>	N/A
D2	Underwater Heritage Tourism	<ul style="list-style-type: none"> <li>• Survey to locate and record sites</li> </ul>	<ul style="list-style-type: none"> <li>• UK/EU</li> </ul>
D3	Salt Museum at Sandy Ground	<ul style="list-style-type: none"> <li>• Salt mining history and experience</li> </ul>	<ul style="list-style-type: none"> <li>• Private</li> </ul>
D4	Road Bay Cruise Tourism	<ul style="list-style-type: none"> <li>• Enhancement of marine facilities</li> <li>• Enhancement of shore facilities</li> </ul>	<ul style="list-style-type: none"> <li>• AASA</li> <li>• Gov't</li> </ul>

## **15. IMPLEMENTATION PLAN**

A summary list of the actions to be taken in implementing the Strategic Tourism Master Plan is set out in Table 15.1. This includes all of the actions that incur costs to be taken during the period of the Master Plan with regard to product development, infrastructure, human resources, marketing and institutional strengthening. Certain elements of the Plan require a first stage analysis, design and plan formulation before costing can be determined – for example, the costs for a comprehensive new tourism training programme cannot be estimated until the recommended tourism training plan is prepared. A number of proposed capital developments are also dependent on the outcome of feasibility studies which are to be undertaken as the next step.

## 15.1 IMPLEMENTATION PLAN

Actions	Phase I 2011 – 2013 Organizing for Growth Phase	Phase II 2014 – 2020 'Growth Take-Off' Phase
<b>A. Arrangements for STMP Implementation</b>	<ul style="list-style-type: none"> <li>➤ Government approval of strategy</li> <li>➤ 'buy in' by stakeholders</li> <li>➤ publication of STMP document</li> <li>➤ set-up STMP project management unit</li> <li>➤ set-up STMP Steering Group</li> <li>➤ initiate feasibility studies</li> <li>➤ championing of STMP</li> <li>➤ mobilization of resources for implementation</li> <li>➤ update and finalise draft Tourism Policy document</li> </ul>	<ul style="list-style-type: none"> <li>➤ review and update of growth strategy</li> <li>➤ championing of TMP</li> <li>➤ coordination of resources for implementation</li> <li>➤ Government approval and publication of National Tourism Policy</li> </ul>
<b>B. Better Sector Management</b>	<ul style="list-style-type: none"> <li>➤ review existing laws &amp; regulations</li> <li>➤ review enforcement measures</li> <li>➤ implement recommendations to improve collection of tourism statistics</li> <li>➤ review all developer project agreements where projects haven't commenced within 2 years of approval</li> <li>➤ register &amp; licensing of tourism enterprises</li> </ul>	<ul style="list-style-type: none"> <li>➤ implementation</li> <li>➤ establish new MOUs with developers</li> <li>➤ continued improvements to quality and range of tourism statistics</li> <li>➤ on-going registration &amp; licensing of tourism enterprises</li> </ul>
<b>C. Reorganise Institutional Arrangements</b>	<ul style="list-style-type: none"> <li>➤ capacity building for FEDICT in respect of expanded functions</li> <li>➤ amend Tourism Act 2000 to refocus Anguilla Tourist Board mandate</li> <li>➤ establish Environmental Management Agency</li> </ul>	<ul style="list-style-type: none"> <li>➤ establish Ministry of Tourism, Transport &amp; Heritage</li> <li>➤ capacity building for Environment Management Agency</li> </ul>
<b>D. Increased and more Effective Marketing</b>	<ul style="list-style-type: none"> <li>➤ new strategic approach</li> <li>➤ prepare 1-3 year rolling marketing plan</li> <li>➤ capacity building in respect of web marketing and market research</li> <li>➤ improve web-site</li> <li>➤ undertake market research on specific niche markets                             <ul style="list-style-type: none"> <li>– private jet market</li> <li>– yachting</li> </ul> </li> <li>➤ targeted destination marketing</li> </ul>	<ul style="list-style-type: none"> <li>➤ targeted destination marketing</li> <li>➤ review marketing strategy &amp; plan</li> <li>➤ on-going improvements to web-site</li> <li>➤ programme of market research</li> <li>➤ expanded VES survey</li> </ul>
<b>E. Improve Air and Sea Access</b>	<ul style="list-style-type: none"> <li>➤ streamlined and friendly immigration and customs procedures</li> <li>➤ improve air-sea intermodal access</li> <li>➤ feasibility study for new terminal at Blowing Point</li> <li>➤ feasibility study for extension of runway</li> </ul>	<ul style="list-style-type: none"> <li>➤ improved airport and seaport terminal facilities</li> </ul>
<b>F. Enhance, Enrich and Diversify the Product</b>	<ul style="list-style-type: none"> <li>➤ technical advisor to draw up licensing and standards system</li> <li>➤ quality assurance through standards and certification</li> <li>➤ cultural heritage development</li> </ul>	<ul style="list-style-type: none"> <li>➤ road signage improvements</li> </ul>

Actions	Phase I 2011 – 2013 Organizing for Growth Phase	Phase II 2014 – 2020 'Growth Take-Off' Phase
<b>G. Upgrade Service Standards</b>	<ul style="list-style-type: none"> <li>➤ skills development programme for craft, supervisory and front line staff</li> <li>➤ capacity building for ACC and HTI</li> <li>➤ Tourism Awareness Programme extension to reach secondary tourism providers, teachers and the public at large</li> <li>➤ develop fast track Tourism Management Programmes for managers in the industry at the Anguilla Community College</li> </ul>	<ul style="list-style-type: none"> <li>➤ continued expansion of HRD programme for ACC and HTI</li> </ul>
<b>H. Improve Physical and Environmental Planning</b>	<ul style="list-style-type: none"> <li>➤ establish new Physical Planning Act</li> <li>➤ designate Tourism Development Areas</li> <li>➤ formulate TDA plans</li> <li>➤ strengthen Dept. of Physical Planning</li> </ul>	<ul style="list-style-type: none"> <li>➤ on-going implementation</li> </ul>
<b>I. Preserve and Protect Natural Environment</b>	<ul style="list-style-type: none"> <li>➤ establish coastal management zone</li> <li>➤ framework to encourage sound environmental practices</li> <li>➤ 'greening' of hotels programme</li> </ul>	<ul style="list-style-type: none"> <li>➤ on-going implementation</li> </ul>
<b>J. Better Integration with Community and Economy</b>	<ul style="list-style-type: none"> <li>➤ tourism and environmental awareness campaign</li> <li>➤ technical assistance to establish fisheries cooperative at Island Harbour</li> <li>➤ establish 'tourism fair' to bring agriculture/fisheries/arts/ craft producers together with accommodation and restaurant sector</li> </ul>	<ul style="list-style-type: none"> <li>➤ on-going implementation</li> </ul>

## **PART V IMPACTS AND IMPLICATIONS**





## 16. SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS

### 16.1 GROWTH PROJECTIONS

Three national economic growth scenarios were outlined in Chapter 4, and three corresponding tourism development scenarios in Chapter 5. The recommended medium growth Scenario B represents the maximum growth achievable on a sustained basis over the next decade. The implication is that the tourism sector must expand by about 7.5% yearly (compared with around 5% for the economy as a whole).

Under the recommended tourism Scenario B,

- The number of stay-over tourists would increase from 62,000 in 2010 to 126,750 in 2020, and excursionists from 56,000 to 114,000.
- Tourism receipts would increase from US\$99.4 million in 2010 to US\$205 million in 2020.
- The accommodation required in 2020 would be 3,300 rooms (using an assumed 40% average yearly room occupancy rate), but only 2,675 rooms on a more financially sustainable average room occupancy rate of 50%.
- Present plans for rooms under construction and in the pipeline indicate that accommodation capacity could increase by some 1,054 rooms to 2,675 rooms by 2020 which matches the room requirements at the 50% occupancy rate.

### 16.2 MEASURING TOURISM'S ECONOMIC IMPACTS

While tourism is generally acknowledged to be the mainstay of the local economy, measurement of its true economic contribution is almost certainly under-stated. This is largely because tourism is not a clearly defined sector in the National Accounts. Tourism's contribution is assumed to be equivalent to the output of the Hotels & Restaurants sector. However, this fails to take into consideration the impact of tourism on other sectors, especially the transportation, trade and construction sectors; providers of personal and professional services; and other sub-sectors not included in the Hotels & Restaurants sector.

In addition, in a process known as the *multiplier* effect, the initial injection of tourism-related expenditure in tourism-related sectors leads to successive rounds of income and expenditure throughout the economy, further increasing tourism's economic contribution.

Two different types of multiplier can be distinguished:

- (i). The multiplier associated with spending by visitors on accommodation, meals, shopping, taxis, etc); and
- (ii). The multiplier associated with new tourism-related investment in hotels, infrastructure, etc.

For each of these in turn, the economic impacts can be divided into direct, indirect and induced impacts (as defined in the box).

### Tourism Economic Impacts

- **Direct Impact:** the impact on those who are direct recipients of visitor expenditure (e.g. staff employed in hotels, restaurants and other areas where visitors make purchases) and of capital expenditure (e.g. workers employed on construction projects).
- **Indirect Impact:** the impact on those supplying inputs, such as food, energy, building materials, to businesses or individuals providing direct sales or services (including construction) to, or on behalf of, visitors.
- **Induced Impact:** the impact of spending by those who have received income from providing goods and services to visitors, either directly or indirectly, including re-spending by recipients of the initial and successive rounds of spending, less leakage on imports.

The sum of direct *plus* indirect *plus* induced impacts represents the total impact of tourism on the economy.

The methodology needed to measure these impacts requires the development initially of what is termed a *Tourism Satellite Account* (TSA) within the national accounting system. Technical assistance was provided to the Anguilla Statistics Department in 2010 to develop a TSA following the approach developed by UNWTO and the EU. However, this looked mainly at the methodology, and application of the TSA analytical framework to the Anguilla situation has not yet been implemented.

Lacking such measurement tools, previous studies (CTO and CEGR) have measured the economic impact of tourism mainly in terms only of visitor spending, with little reference to the full impact of tourism-related investment.

### 16.3 ECONOMIC IMPACTS OF THE STMP

The economic impacts of the STMP include:

- Contribution to GDP and Value Added.
- Employment generation.
- Tax revenues to government.
- Foreign exchange earnings.
- Benefits to communities and other sectors of the economy.

The following economic impact analysis uses as a starting point the findings of an earlier CTO study on the impact of tourism on the economy of Anguilla.\* This report showed the major economic impacts generated by visitor expenditure in 1998 to be as follows:

- Value added of tourism equal to 51% of total GDP - equivalent to 0.83 generated per unit of visitor expenditure.
- Tourism-related employment equal to 48% of total average annual employment.
- Tourism contribution of some 41% to total government tax revenue.

Under the medium growth scenario B, projected impacts for 2020 also include the impacts of tourism-related investment and are based on anticipated economic growth rates and project implementation expectations, as follows:

\*Impact of Visitor Expenditure on the Economy of Anguilla in 1998 (Caribbean Tourism Organisation, March 2001)

**(i) Contribution to Gross Value Added**

The relative contribution of the key sectors of Anguilla's economy is summarized on Table 16.1. The largest contributors are hotels & restaurants, financial intermediation and real estate.

**Table 16.1: Projected Sectoral Structure of Economy 2010 – 2020; GDP at Constant 2010 prices, EC\$M**

Sector/Econ Activities	2010	2015	2020
Agriculture & fishing	15.0	17.0	20.0
Manufacturing/ mining	25.0	28.0	40.0
Construction	60.0	65.0	105.0
Hotels & restaurants	100.0	135.0	205.0
Wholesale & retail	60.0	70.0	90.0
Transport, & communication	60.0	70.0	95.0
Financial intermediation	85.0	105.0	145.0
Real estate & Business	80.0	105.0	140.0
Public admin	113.0	110.0	120.0
Utilities	33.0	36.0	55.0
Other private services	24.0	26.0	40.0
<b>TOTAL GVA</b>	<b>655.0</b>	<b>767.0</b>	<b>1,055.0</b>
<b>Adjustments*</b>	<b>75.0</b>	<b>83.0</b>	<b>135.0</b>
<b>TOTAL GDP</b>	<b>730.0</b>	<b>850.0</b>	<b>1,190.0</b>

*Consultant's projections \*FISIM, Taxes, Subsidies*

**Visitor Expenditure Impact**

In the national accounts, the contribution for the hotels and restaurants sub-sector was estimated at some 15% of total GVA in 2010.

Assuming, however, that visitor expenditure contributes the equivalent of around 51% to Gross Value Added (GVA), the total economic contribution of the estimated US\$99.4 million spent by visitors in 2010 would be approximately EC\$334 million at constant prices.

Based on the tourism growth assumptions in Chapter 5, both visitor expenditure and sectoral output are projected to more than double by 2020. This would indicate a total GVA impact of around EC\$670

million, representing about 64% of total GVA and 56% of GDP at constant prices.

**Tourism Investment Impact**

The STMP envisages the commitment of considerable investment on the part of both the public and private sectors in tourism-related projects, particularly tourist accommodation and tourism infrastructure (airport, ferry port, yacht marinas), but including other community-based and heritage-focused projects.

As shown on Table 16.1, the construction sector GVA is projected to increase from EC\$60 million in 2010 (when tourism-related activity was at a low ebb) to an estimated EC\$105 million in 2020, when it will represent about 10% of total GVA (compared with 9% in 2010). This projected increase is mainly attributable to investment in new tourism-related projects, such as tourist accommodation and tourism infrastructure.

Present plans indicate that accommodation capacity could increase from 1,621 rooms in 2010 to 2,675 rooms by 2020. Based on the expected average cost of around US\$560,000 per room for developing these projects, total investment would be in the order of US\$600 million, or EC\$1.62 billion, over the period 2010-20. After allowing for intermediate inputs (around 60% of total investment in tourism projects according to the CTO study), this investment could add perhaps EC\$650 million to the construction sector GVA over this period, or an average of EC\$65 million per year (assuming an even rate of development).

This represents direct impact only. Allowing for indirect and induced impacts (perhaps another one-third of direct impacts), the total addition to the construction sector's GVA from tourism-related investment could be as much as EC\$87 million per year adding some eight percentage points to tourism's share of total GVA in 2020 alone (assuming no fall-off in tourism-related construction activity).

This would raise tourism's share of total GVA and GDP - from visitor expenditure and capital investment - to some 72% of GVA and some 64% of GDP in 2020 and this excludes the impact of

investment in non-accommodation tourism-related projects which cannot be precisely determined at this stage.

Most of the new rooms will be completed by 2020, with some simultaneity in project rollouts. Assuming none of the approved accommodation projects that are currently on hold are re-activated, the level of activity in the construction sector could decline after 2020. However, in practice, some additional projects (e.g. the presently-stalled Temenos development) are likely to commence construction before 2020.

### (ii) Contribution to Employment

In terms of contribution to employment, the results of the most recent Labour Force Survey show Hotels & Restaurants (35%) in first place, followed by Public Administration & Defence (19%), Construction (8%) and Financial Services (5%).

**Table 16.3: Employment by Economic Sector Activity  
2005 – 2010**

Sector/Econ Activity	2005	2006	2007	2008	2009	2010
Hotels, guesthouses, restaurants & bars	2,740	3,282	3,541	3,045	2,910	2,558
Financial institutions & Insurance	282	314	371	382	371	345
Real estate & Business services	133	137	187	181	147	137
Construction	1,182	1,863	3,235	2,982	1,849	583
Transport, storage & communication	331	376	509	408	420	330
Public admin & defence	1,176	1,252	1,381	1,487	1,490	1,370
Other	1,950	2,104	2,561	2,407	2,330	1,963
<b>TOTAL</b>	<b>7,794</b>	<b>9,328</b>	<b>11,785</b>	<b>10,892</b>	<b>9,517</b>	<b>7,286</b>

Source: Anguilla Social Security Board

According to the special HR survey carried out for this study, some 3,000 persons are estimated to have been directly employed in the tourism sector in 2010. The CTO report showed that in 1998, direct

employment generated by visitor expenditure equalled around two-thirds of total tourism-related employment. On this basis, total tourism-related employment (direct, indirect and induced) was an estimated 4,500 in 2010, representing about 62% of total employment in the economy. With the projected increase in visitor expenditure, these figures would rise to 7,500 by 2020.

There is clearly a positive correlation between the growth in output of the economy and employment. However, there can be time lags between the expansion of the economy and the increase in employment numbers, and vice versa. Nonetheless, with a sustained expansion of the economy over time, employment opportunities will increase in line with the growth rate of economy.

Much of this increase will occur in the tourist accommodation sector. By 2020, approved hotel/villa/condominium projects will increase the number of rooms by some 1,054 - providing up to 2,000 new jobs during the operational phase. In addition (based on figures quoted in the CEGR report\*), up to 1,000 workers could be needed during the construction stage of these projects. Including temporary construction workers, total tourism-related employment could therefore increase to over 8,000 persons during this period.

While some of the new jobs will be filled by currently unemployed Anguillians, it is likely that many will be taken up by foreign nationals. For example, during the height of the 2002-07 tourism-led construction boom, a total of 10,141 work permits were issued to non-nationals to take up employment in Anguilla - the majority in tourism-related projects. See also Section 16.4 (ii).

### (iii) Contribution to Government Revenue

In 1998, visitor expenditure contributed an estimated 41% of total government current revenue (including accommodation tax, departure tax and tourism-related share of import duties, stamp duty, alien landholding licence fees, etc).

\*Economic and Social Impact of Selected Tourism Projects in Anguilla (CEGR Consultants, December 2008)

More up-to-date information provided by the Inland Revenue Department lists the yield from the main taxes levied specifically on the tourism sector, namely the Accommodation Tax, the Tourism Marketing Levy and Villa Rental Fees.

**(a) Accommodation Tax**

- The Accommodation Tax is a 10% tax charged on the hotel account or the rented accommodation account.
- The tax is charged to the visitor and is collected by the proprietor of the hotel or the owner of the rented accommodation.

**(b) Tourism Marketing Levy**

- The proprietor/owner of the rented accommodation collects US\$1.00 per night for each room rented from the guest.
- The owner is required to match the guest's contribution.

The original objective was that ultimately not only would the owners of accommodation facilities have to contribute but also providers of all the ancillary services (car rentals, restaurant, shops, etc).

**(c) Villa Rental Fees**

- 'Non-belongers' who have been granted permission to rent their property are required to pay a fee of EC\$6,750 for the first 2000 sq. ft.
- Additional charges are applied for covered and uncovered floor space in excess of the first 2000 sq ft.

Under the draft Alien Villa Development Tax Bill, alien owners of one or more villas would also be liable to pay tax on any covered or uncovered improvements to their property at rates yet to be decided.

**(d) Restaurant Tax**

- A 10% tax on restaurant bills is to be introduced.

**(iv) Entry/Departure Taxes**

The airport ticket tax is paid by all passengers travelling in and out of Anguilla, not only tourists.

Details of the tax revenues from these heads are shown in Table 16.4. In 2009, they represented some 16.8% of total tax revenues. However, it should be noted that these figures exclude tourism's share of import and other duties.

**Table 16.4: Tourism-related Tax Revenues, 2008-10 (EC\$'000)**

Revenue Type	2008	2009	2010
Accommodation Tax	15,068	11,355	11,850*
Tourism Levy	564	723	1,387
Airline Ticket Tax*	2,578	931	699
Embarkation Tax	5,589	4,744	4,684
Villa Rental Fees	555	583	657
Cruise Permits	374	351	348
<b>Sub-total</b>	<b>24,728</b>	<b>18,687</b>	<b>19,625</b>
<b>Total tax revenue (actual)</b>	<b>156,536</b>	<b>111,597</b>	n.a..
<b>Total non-tax revenue</b>	<b>49,121</b>	<b>36,736</b>	n.a.
<b>TOTAL REVENUE (actual)</b>	<b>205,657</b>	<b>148,333</b>	n.a.

*Source: Inland Revenue Department*

*\* of which hotels accounted for approximately two-thirds of the total*

Assuming that the tourism sector's share of other tax revenue (mainly import duties) is at least equal to its share of GDP (around 51%), then tourism's total tax contribution would be about 56% in 2010.

Allowing for the fact that tourism is projected to grow faster than other sectors of the economy, it is likely that the tax contribution to government revenues will also outstrip the general increase in tax revenues – thereby increasing its share of the total to, perhaps over 70% of total tax revenue in 2020. This raises the danger of the GOA becoming possibly over-dependent on tourism revenues,

and points to the need for greater diversification of its tax and non-tax revenue base.

**(v) Contribution to Foreign Exchange Earnings**

Foreign exchange earnings from tourism permit Anguilla to have a higher trade deficit, and by implication a higher level of economic activity and welfare, than would otherwise be the case.

In 2010, Anguilla's merchandise trade deficit in 2010 is estimated to have been about EC\$ 333 million – representing around 51% of GVA at current market prices. This deficit was offset by gross visitor expenditure (estimated at US\$ 99.4 million, or EC\$ 268 million), contributing significantly to balance of payments stabilization.

Limited production possibilities and relative lack of economic diversification (apart from financial services and, perhaps, a revived construction sector) suggest that this high dependence on tourism earnings is likely to continue.

**(vi) Contribution to Communities and Other Sectors of Economy**

As tourism is characterized by the fact the consumer comes to the product rather than the product to the consumer, the sector has important community impacts in generating incomes and employment at local level.

Chapter 13 of the Interim Report examines how linkages can be strengthened in Anguilla for greater local impact - both at the level of the individual producer or supplier and at the sectoral level. Considerable unexploited potential has been shown to exist in three sectors in particular, - namely, Agriculture, Fishing and Handicrafts - where a number of specific actions have been proposed. The Manufacturing sector is presently too weak to offer significant scope for increased sales to the tourism sector, while linkages with Services, such as Banking and Finance, Business &

Professional Services and Trade are already well-developed and are not so much in need of specific interventions by government.

If successfully implemented, the listed initiatives would provide significant economic benefits for local producers, communities and SMEEs. Farmers, fishermen and craft producers could expect to see considerable increases in their sales to the local hospitality sector, while local communities (e.g. at East End village, Island Harbour and neighbouring Welches) would benefit from increased levels of tourism-related expenditure.

**16.4 SOCIAL IMPACTS OF THE STMP**

The social impacts of the STMP include:

- Contribution to living standards.
- Import of foreign labour.
- Training and HRD development.
- Social services.
- Utilities.
- Safety and Security.
- Provision of utilities, education, health and 'medical services'.

**(i) Contribution to Living Standards**

Despite the economic downturn, Anguilla enjoys a relatively high standard of living, as measured by GDP per capita. As shown in Table 16.5, Anguilla had an estimated GDP per capita of US\$ 18,624 in 2009. Of other Caribbean countries ranked in the International Monetary Fund statistics, only Aruba, Bahamas, Curacao, Trinidad & Tobago have higher income levels.



**Table 16.5: GDP per Capita, Selected Countries (US\$), 2009**

Country	GDP per Capita
USA	47,440
Aruba	25,922
The Bahamas	22,359
Curacao	20,272
Trinidad & Tobago	19,870
<b>Anguilla</b>	<b>19,222</b>
Barbados	13,314
Venezuela	11,388
Brazil	8,295
Jamaica	5,199
Dominican Republic	4,992

*Source: Central Bureau of Statistics, IMF, October 2009, & Consultant's estimates*

While having the second smallest economy among OECS countries, Anguilla's GDP per capita is the highest in the OECS sub-region.

### **(ii) Import of Foreign Labour**

One of the most direct impacts of Anguilla's tourism development during the 2002-07 construction boom was the influx of new workers - some with their families - into the community, either as permanent or temporary residents.

The incoming population had begun to impact upon the social environment in various ways, including increased demand for housing and social services.\* The then projected increase in the number of new rooms in approved tourism projects of 3,110 hotel/resort rooms and another 1,250 "rooms" in the private villa market was expected to exacerbate these problems, but, as it turned out, the boom came to an end, Many projects were put on hold (either temporarily or indefinitely) and most expatriate construction workers lost their jobs and left the island.

\**Economic and Social Impact of Selected Tourism Projects in Anguilla (CEGR Consultants, December 2008)*

Scenario B now projects a more modest - and hence sustainable - increase in the number of rooms and therefore in the number of jobs. As a result, the need for imported labour will be correspondingly reduced.

Under the manpower projections in Scenario B, the total demand for labour will exceed the supply by some 3,000 persons. This will necessitate the importation of immigrant labour – some of whom may be from the Anguillian diaspora – to fill the job vacancies. These vacancies will occur mainly in the tourism sector – both during the construction stage and the operational stage of the new projects that are likely to go ahead. While some construction workers may be employed on additional new projects after 2020, it is assumed that the majority will leave Anguilla on completion of the identified projects.

### **(iii) Housing**

Suitable accommodation will need to be provided for workers recruited from outside Anguilla, and their dependents. In the case of construction workers, it is assumed that the majority will not be accompanied by family members and that they will mostly be housed in hostel-type accommodation, whether on or offsite.

For other, more permanent staff employed in operational positions in hotels and other tourism accommodation establishments, more durable housing will need to be provided, whether in apartments or single family houses. The amount and rate of provision of new accommodation units will depend upon both the available pool of empty accommodation and the number of dependents per worker,

### **(iv) Training and HRD Development**

Growth in the tourism sector - particularly the accommodation sector - will lead to an increased demand for trained workers. At present, this need cannot be fully met by the output from its hospitality training institutes. One of the responses has been the importation of labour. In parallel, the GOA has invested in the development of its human resource potential through the award of



assistantships and scholarships in a wide range of disciplines and professions, including hospitality studies. However, the number being trained directly in tourism-related fields is quite small. In order to ensure that Anguillians become eligible for the jobs in the tourism sector, including top management positions, considerable additional training is required for persons with a non-tourism education. For the most part, this will have to be provided in-house at the new and existing accommodation establishments.

**(v) Social Services**

As the tourism sector continues to grow, the demands on the public health and educational services will also increase (particularly in the West and Central TDAs). Past experience suggests that the pressing need to import large numbers of workers, especially from China and India, was undertaken without adequate notification of the health authorities. In future, greater levels of collaboration and coordination will be required between Department of Labour, the directors of the projects, and the school, health and medical services.

The capacity of the health and medical services, while adequate for the needs of the local population, would be not nearly be enough should an epidemic break-out (which could be the result of the importation of large numbers of foreign workers). For example, the Princess Alexandra Hospital has a complement of only 32 beds. To this end, the Anguilla Community Foundation has highlighted the need to add a well-equipped wing to the existing hospital that would provide emergency treatment for local citizens, visitors and expatriates saving them having to go to SXM or further afield.

**(vi) Utilities**

**Water Supply**

The needs of the new tourism projects, as well as the needs of the increasing ancillary villa and home construction sector, will place additional burdens on the existing water supply system. However,

the GOA is taking steps to try to ensure that water supplies will be available to meet total national demand. Under the *Anguilla National Water Policy* (GOA, November 2010), it has been decided that new tourism-related projects shall derive a minimum of 20% (15% for existing tourism establishments) of their water requirements from the newly-established Water Corporation of Anguilla (WCA). Over the ensuing five years, the WCA anticipates to be in a position to deliver reliable water services to all tourism establishments. However, very large water using establishments will be encouraged to have backup water producing facilities to cater for their needs in times of emergency.

**Electricity Generation**

Availability of electricity supply is not and should not in the future be a constraint on the development of tourism. ANGLEC plans to have sufficient generating plant installed in time to cater for any required load-increases in future. Currently, there are 11 units in operation, with the capacity to generate 23 MW of electricity. In 2009, installation of an additional generating set capable of producing another 5.4 MW of electricity was completed. This has increased ANGLEC's capacity to more than 28 MW. Based on the assumption that past high rates of annual load-growth is likely to continue, new generating plant of around 5 MW will need to be installed every two to three years.

**(vii) Safety and Security**

Tourism is more sensitive than most industries to safety and security concerns. While Anguilla's crime rate is relatively low, both petty and violent crimes do occur. The most frequent type of crime committed is property-related crime. However, there have been few incidents involving tourists.

Anguilla experienced a continuous increase in the incidence of domestic crime from 2000 to 2006. This is the period during which the tourism-driven construction boom was at its peak. With the planned addition of some 1,054 rooms over the next ten years, and the resultant increase in the number of migrant workers, it could be

argued, statistically, that there might be a similar upsurge in the incidence of crimes committed both by Anguillians and non-Anguillians. This will require increased police vigilance.

On the other hand, the move towards full employment under the STMP should lead to a reduction in the incidence of petty theft (which rose from 288 recorded incidents in 2009 to 393 in 2010).

## 16.5 ENVIRONMENTAL IMPACTS OF THE STMP

Environmental impacts include:

- Traffic volumes.
- Solid waste collection and disposal.

### *(i) Traffic Volumes*

Many of the workers employed on the new projects - whether in the construction or the operational phases – will be car owners. The resulting increases in road traffic will have important implications for the country's flow of traffic, traffic management, parking and road safety. Concentration of development in the West End will increase the number of commuters from other areas. At some point, the GOA may have to consider the introduction of limits (as in Bermuda) on the number of vehicles per household. In the short-term, the postponed project for the upgrading of roads in The Valley needs to be reactivated.

### *(ii) Solid Waste Collection and Disposal*

Solid waste collection and disposal currently poses a particular problem because of the increasing volume of household, commercial waste that is currently being produced as well as the volume that will be produced by the new tourism projects that will contribute to this problem.

The landfill at Corito currently does not have enough cover material. Taking the average volume of waste generated in each category over the 5-year period 2003-2007, the ESIA study conservatively estimated that between 2010 and 2020 an additional 436,000 cubic metres of waste would be produced. Although this estimate would now need to be revised downwards, new developments will place significant additional pressure on the Corito landfill unless greater priority is given to burning and recycling of waste.

## 17. RISK MANAGEMENT

### 17.1 RISK MANAGEMENT

#### 17.1.1 Approach

Risk management is a continuous and planned process which must be reviewed regularly. The process involves:

- Identification of risks.
- Determination of the likelihood of their occurrence.
- Determination of impact they would have if they occur.
- Identification of risk owner.
- Identification of actions required to address them.

Once risks have been identified and assessed, decisions are made on how to address them. They may be tolerated, treated, transferred or terminated:

- A risk can be **tolerated** if its likelihood and impact are both low (in the green part of the matrix) or if the cost of reducing its likelihood and of mitigating its impact is disproportionate to the benefits which would arise.
- A risk can be **treated** to reduce its likelihood and to mitigate its likely impact. Treatment can consist of action to prevent an occurrence, action to correct the impact of an event which has occurred and by action to direct the way of working to ensure that the event does not occur. These are referred to respectively as preventative, corrective and directive responses to risks.

- A risk can be **transferred** to another party by contract or by insurance.
- Finally, a risk can be **terminated** by removal of or closure of the feature causing the risk.

In the case of the Sustainable Tourism Master Plan, it is likely that most identified and assessed risks will be tolerated or treated. This decision should be made explicitly and be recorded. In the case of a treated risk a specific set of actions should be agreed explicitly, recorded and allocated to a specific risk owner who will have responsibility to undertake the actions agreed and monitor and report on the risk.

An initial list register is provided in Table 17.1. The following is a key to risk ratings:

		IMPACT		
		Low (1)	Medium (2)	High (3)
LIKELIHOOD	Low (1)	Green	Green	Orange
	Medium (2)	Green	Orange	Red
	High (3)	Orange	Red	Red

The risks listed in Table 17.1 do not constitute a comprehensive listing of all risks. As the STMP unfolds, this list will be further developed to take into account further risks which would impede its successful implementation.

**Table 17.1: Indicative Risk Register Framework**

Risk No.	Risk Area	Risk Description	Risk Likelihood (1-3)	Risk Impact (1-3)	Rating	Avoidance Action	Mitigation Action	Risk Owner
1.	Air Access	Discontinuation of American Eagle service from San Juan.	3	3		<ul style="list-style-type: none"> <li>Joint promotions to improve passenger load factors</li> </ul>	<ul style="list-style-type: none"> <li>Minimum Revenue Guarantee for airline</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> </ul>
2.	Sea Access	Blockage of ports on St. Maarten/St. Martin.	1	3		<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Increase air access capacity</li> <li>Build new airport</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> </ul>
3.	Destination Marketing	Significant cut back of ATB budget.	2	3		<ul style="list-style-type: none"> <li>None – political decision</li> </ul>	<ul style="list-style-type: none"> <li>Increase taxes to generate funds</li> <li>Funding by private sector</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> <li>AHTA</li> </ul>
4.	Institutional Arrangements	Insufficient Manpower to establish Ministry of Tourism, Transport & Heritage.	3	2		<ul style="list-style-type: none"> <li>Put the establishment of a Ministry of Tourism, Transport &amp; Heritage temporarily on hold</li> </ul>	<ul style="list-style-type: none"> <li>Secure temporary TA through ODA</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> </ul>
5.	Human Resources Development	Existing formal education system unable to provide sufficient qualified staffs till 2015.	3	1		<ul style="list-style-type: none"> <li>Accelerate the establishment of a National Anguillian Skills Recognition System</li> </ul>	<ul style="list-style-type: none"> <li>Allow for higher quotas of non-belongers for both, managerial and operational functions</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> </ul>
6.	Investment in Tourism Facilities	Failure to start/complete some approved projects could affect Anguilla's investment attractiveness.	2	3		<ul style="list-style-type: none"> <li>Investment promotion drive in association with relevant property developers</li> </ul>	<ul style="list-style-type: none"> <li>Pull-down unfinished developments</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> <li>Developer</li> </ul>
7.	Quality of Life	Crime, overcrowding, social unrest as a consequence of over development and large numbers of migrant workers.	1	3		<ul style="list-style-type: none"> <li>Ensure moderate pace of development</li> </ul>	<ul style="list-style-type: none"> <li>Tackle issues arising</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> </ul>
8.	Environment	Beach erosion due to tourism activities and developments.	3	3		<ul style="list-style-type: none"> <li>Implementation/enforcement of relevant planning laws/regulations</li> </ul>	<ul style="list-style-type: none"> <li>More controls</li> <li>Protective measures</li> </ul>	<ul style="list-style-type: none"> <li>GOA</li> </ul>

## **PART VI ANNEXES AND ADDENDUMS**



## 18. ANNEXES

### 18.1 EMPLOYMENT AND TRAINING NEEDS SURVEY RESULTS

#### 18.1.1 SECTOR EMPLOYMENT

Based on our 'Employment and Training Needs' Survey among hotels, guesthouses, villas and restaurants, we estimate that direct employment in the tourism sector amounted to some 3,150 persons in 2010. Taking into account that not all jobs are full-time, this represents approximately 40% of employees registered by Anguilla's Social Security Board.

**Table 18.1: Direct Employment in Tourism Sector**

Sub-sector	Number of Jobs	Remarks
Hotels & Guesthouses	1,800	
Villas/Condos	400	Based on a ratio of 0.6 fte / room
Restaurants & Bars	380	International standard, outside hotels / guesthouses
Taxi / Sea and Air Carriers / Air & Sea Ports	150	Excluding Immigration/Customs
Travel Agents / Car Rental	220	
Dive Centers / Water sports		
Tour Guides		
Other	200	Art galleries, craft shops etc
<b>Total direct employment</b>	<b>3,150</b>	

Source: 'Employment & Training Needs' Survey, 2010 Consultant

#### 18.1.2 EMPLOYMENT BY JOB STATUS AND GENDER

As shown on Table 18.2, the majority of jobs in the sector are full time, particularly in hotels and guesthouses.

**Table 18.2: Employment by Status and Gender**

Sub Sector	Status (%)			Total	Gender (%)	
	Full Time	Part Time	Seasonal		Male	Female
<b>Hotel/Villa Resorts</b>						
50 > rooms	95	1	4	100	43	57
< 50 rooms	92	8	-	100	38	62
Villas	72	24	4	100	35	65
Restaurants	73	20	7	100	42	58

For the sector as a whole, the female/male gender balance is 60:40.

#### 18.1.3 AGE PROFILE OF EMPLOYEES

**Table 18.3: Age Profile of Employees**

Sub Sector	Age Group (%)					Total
	19 – 25	26 – 35	36 – 45	46 – 55	55>	
50 > rooms	18	26	26	21	9	100
< 50 rooms	15	24	30	16	15	100
Villas	2	18	42	34	4	100
Restaurants	15	33	37	10	4	100

A feature of the age profile of the sector's employees is the increasing proportion of older employees. Currently, more than half of all employees in the hotel/guesthouse/villa sub sectors are over 36 years of age. When the more recently established properties are excluded, the proportion of employees over the age of 36 is significantly higher. This 'greying of the workforce' has implications for the sector in terms of productivity and training.



### 18.1.4 JOB PROFILE OF EMPLOYEES

#### (a) Accommodation Sub-Sector

Managers/supervisors account for a significant proportion of employees, as do unskilled manual.

**Table 18.4: Job Profile of Hotel and Guesthouse/Villa Employees**

Category	Hotel/Villa Resorts		Villas
	>50 Room (%)	<50 Room (%)	
Managers	12	11	8
Supervisors	11	11	8
Technical/Craft*	66	43	61
Sales/Admin	1	13	2
Unskilled Manual	4	21	21
Other	6	1	-
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*housekeeping, waiting staff, kitchen staff, maintenance staff

#### (b) Restaurants

**Table 185: Job Profile of Restaurant Employees**

Category	%
Management/Supervisory	11
Reception	4
Kitchen	29
Waiting	42
Sales	2
Bar	8
Other	4
<b>TOTAL</b>	<b>100</b>

### 18.1.5 NON ANGUILLIAN PROPORTION OF EMPLOYEES

In general, non-Anguillan employees account for 10% of the sector's workforce. This, of course, varies by sub-sector. In the larger properties, only 5% of employees are non-Anguillan.

**Table 18.6: Non AXA Proportion of Employees**

Sub Sector	Non AXA	AXA	Total
Hotel/Villa Resorts 50 rooms >	5	95	100
< 50 rooms	24	76	100
Villas	16	84	100
Restaurants	10	90	100

### 18.1.6 TRAINING NEEDS IN THE HOTELS/GUESTHOUSES

In the 'Training Needs Survey' hotels were asked to indicate their

- Immediate training needs.
- Whether training conducted in-house in the recent past, and
- Whether training outsourced to training institutions or individual trainers.

Across the board there is an immense need for training encompassing all functional areas, ranging from management and supervisory skills training to technical skills training for all occupations.

**(a) Training Needs of Hotels/Guesthouses**

Training needs required for each of the respective functional areas were as follows:

**Table 18.7: Training Needs**

Functional Area	Type of Training Required
Management	Financial Management; Strategic Planning; Coaching & Counselling; Management Skills; Accommodation Management; HR management & development; Hospitality Management.
Supervisory	Leadership Skills; Business writing; Working knowledge of Microsoft Office; People Management Skills; Supervisory Skills; Human Relations; Time Management & Disciplinary training; Stock and inventory taking; Team Building.
Technical	<ul style="list-style-type: none"> <li>Food Production: Advanced Culinary Skills; Basic Skills Standards</li> <li>F&amp;B Services: Wine training; Basic Skills Standards</li> <li>Housekeeping: Laundry &amp; Dry Cleaning; Skills Standards</li> <li>Maintenance: Computer Equipment; Skills Standards; Preventative maintenance; Woodwork reparation; Air Condition Unit and Refrigerator maintenance and repair;</li> <li>Front Desk Policies &amp; Procedures; Servicing of Accommodations; Basic Skills Standards</li> </ul>
Sales / Administration	Sales techniques and application of advanced methods; Client communications.
No Skills	Tourism Awareness Training (tourism impact on island economy; what's tourism?; who will likely benefit?; who's a tourist?).
Other	Business English; Interpersonal Skills; Customer Services; Work Productivity enhancement; Guest Complaints handling; Job Quality improvement; Overall Tourism Awareness; Consistency in the provision of services.

That such an extensive range of training needs were indicated doesn't mean that no training is undertaken by the hotels themselves. On the contrary. The following is a list of all training conducted by the hotels surveyed, either by in-house trainers or by way of outsourcing to training institutes or individual trainers.

- Needs based managerial, supervisory & employee training in various occupations.
- Management Competencies.

- Train-the-Trainer.
- Customer Care & Services; Guest Relations.
- Standard Operation Procedures.
- Basic Housekeeping & Security for new staff.
- New entrant orientation.
- Selling techniques.
- Business writing.

Training undertaken by the larger (50 rooms +) properties was mainly outsourced from abroad or provided by the Anguilla Community College.

Previous training for the smaller (less than 50 rooms) was exclusively delivered by local tourism and training institutes, the most frequently mentioned being the Anguilla Community College (ACC; 5 times), the Chamber of Commerce (twice), the Hotel & Tourism Association (AHTA; 3 times), the Tourist Board (ATB; twice). This indicates the increasing importance of the Community College as major training provider for the tourism and hospitality sector.

### 18.1.7 Training Needs of the Villa Sub-Sector

**Table 18.8: Training Needs by Job Category**

Job Category	Training Required
Management	Marketing Villas; Staff Motivation/Empowering Techniques; Business Principles
Supervisory	High-end estate management
Technical	Time Management; Guest/customer (interaction) services; Housekeeping (including turn down services); Villa set up and décor presentation; Pool maintenance; Landscaping
Sales/ Admin	Business writing; English grammar
Others	Eye for detail; Time Management; Writing Skills; English speaking/ grammar; Public speaking; Computer literacy; Engaging with high-end clients; Communication skills (e.g. to inform guests adequately about what the island has on offer)

In-house training at villas is more about undertaking the daily work schedules and chores. Technical training, when provided, concentrates mainly on Housekeeping and Customer Services (including meeting & greeting) and, on occasion, goes as far as the training of Standard Operating Procedures and butler services.

Any external training is almost exclusively provided by Anguilla’s Community College, which is ranked highly by the villa operators.

### 18.1.8 TRAINING NEEDS OF RESTAURANTS

**Table 18.9: Training Needs of Restaurants**

Job Category	Type of Training Required
Manager	Work Ethics; Management Skills; Leadership; Restaurant Management; Marketing; Financial Management;
Reception	Customer Services; Hospitality
Kitchen Staff	Cost Control; Waste Management; Culinary Skills standards: Consistency of services and products; Basic Food Production skills; Kitchen Management; Basic skills for international food production; Pastry & Bakery Skills; Food Presentation techniques; Supervisory Training
Waiting Staff	Customer Focused Services; Time and Delivery Management; Market knowledge; Tourism product knowledge; Communication Skills; Basic Skills Standards for F&B Services (including opening and closing procedures); Personal skills development (self-control; guest interaction; natural composure; presentation skills); Restaurant Operations; Wine knowledge; Restaurant Administration; Costing & billing
Sales/Admin	Sales Techniques; Accounting; Developing commercial attitudes
Bar	Skills standards including opening and closing procedures; Wine knowledge & Cocktail preparation training
Other	Work ethics; Time Management; Tourism Awareness; Customer Focused Services; Punctuality and Productivity; Organizational Capacity Building; Group Processes; Cleanliness, Hygiene and Health; Developing a friendly attitude and job pride; Communications Skills; Basic Maintenance Skills; Self-Empowerment; Complaints handling; Basic counting and mathematics skills

The majority of restaurants provide in-house training. While some outsource its provision to local or international training institutes and individuals, most is done ‘on-the-job’ by colleagues, supervisors and managers.

## 18.2 WEEKLY INTERNATIONAL FLIGHTS FROM REGIONAL INTERNATIONAL GATEWAYS

International City	San Juan	St. Thomas	St. Maarten	Antigua	St. Kitts	Total
Atlanta	48	8	4	1	1	62
Baltimore	12	-	-	-	-	12
Boston	21	5	1	-	-	27
Charlotte	18	8	9	1	1	37
Chicago	22	2	1	-	-	25
Cleveland	1	-	-	-	-	1
Dallas Forth Worth	15	-	-	-	-	15
Detroit	1	-	-	-	-	1
Fort Lauderdale	42	5	1	-	-	48
Hartford	7	-	-	-	-	7
Houston	7	-	-	-	-	7
Los Angeles	2	-	-	-	-	2
Miami	54	14	15	7	7	97
Minneapolis	1	1	1	-	-	3
New York	57	8	13	3	2	83
Newark	7	8	9	8	-	32
Orlando	48	-	-	-	-	48
Philadelphia	32	7	3	-	-	42
Tampa	7	-	-	-	-	7
Washington	14	4	1	-	-	19
<b>TOTAL USA</b>	<b>416</b>	<b>70</b>	<b>58</b>	<b>20</b>	<b>11</b>	<b>575</b>
Montreal	1	-	1	2	-	4
Toronto	2	-	5	4	-	11
<b>TOTAL CANADA</b>	<b>3</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>15</b>
Amsterdam	-	-	3	-	-	3
Frankfurt	-	-	-	1	-	1
London	-	-	-	10	1	11
Madrid	3	-	-	-	-	3
Milan	-	-	-	1	-	1
Paris	-	-	11	-	-	11
<b>TOTAL UK &amp; EUROPE</b>	<b>3</b>	<b>-</b>	<b>14</b>	<b>12</b>	<b>1</b>	<b>30</b>
Bogota	1	-	-	-	-	1
Caracas	7	-	-	-	-	7
Panama City	14	-	2	-	-	16
<b>TOTAL LATIN AMERICA</b>	<b>22</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>24</b>

## 19. ADDENDUMS

### 19.1 TOURISM DEVELOPMENT GUIDELINES

Adherence to these guidelines will help encourage sound planning and environmental practices by tourism developers and operators.

#### 1. Introduction

The design philosophy and approach for individual sites is central to the achievement of Anguilla's objectives of a quality tourism product and green destination.

The following guidelines are intended to stimulate appropriate design approaches and together with the Development Criteria, act as a checklist to the Government of Anguilla in judging the coverage and quality of proposals.

#### 2. The Process

Site Development Briefs should ideally be prepared for new and redevelopment sites. The emphasis in these documents should not be on a prescribed solution for each site, but on a process through site analysis, conceptual planning, financial and market feasibility, implementation and management to achieve a quality and sustainable tourism development project.

The Process may be described in terms of:

- Market research;
- Site analysis;
- Master planning;
- Architecture and landscape design; and
- Details and management.

Developers wishing to develop tourism projects in Anguilla, must acknowledge this process.

### 3. Market Research

Successful tourism developments are those that provide what the market wants. Market forces are the central backbone to commercially successful tourism projects and therefore it is crucial that the planning process involves the market feasibility of projects from the outset. Issues include:

#### Market Audit

An initial evaluation of the potential of the destination in terms of visitor numbers, seasonality, length of stay, spending levels and airlift to support the proposed project.

#### Market Forecasts

Demand projections, in terms of visitor numbers are fundamental.

#### Competitive Analysis

This will indicate the size, positioning and phasing that would be most appropriate. Analysis, taking into account both local and foreign competition should be undertaken on such project features as location, facilities, quality/positioning, pricing policies, linkages, occupancy levels and revenues and existing and future capacity.

#### Consumer Needs

Visitor forecasts, guest mix, activity preferences and trends in facility expectation provide a benchmark for market match analysis.

### **Finance/Investment**

Only those projects that are perceived as being potentially viable financially and meet market needs will have a chance to successfully secure investment funds for development.

### **Concept Review**

Market and economic analysis is undertaken at both the prefeasibility (proposed Business Plan) and full feasibility stage. These evaluations will typically suggest modifications to design and concept to improve viability. The differing requirements of developer, operator, funder and owner will all influence design and concept during the development programme.

## **4. Site Analysis**

The prominence given to proper site analysis acknowledges the importance of environmental awareness and responsiveness. Site analysis should include investigation of, and response to, a broad range of environmental factors and issues including:

### **Context**

Recognition of the site's surrounding, provides the opportunity for the creation of a unique and sympathetic project which is central to a successful tourism development. Questions of environmental setting, views, scale of adjacent and nearby buildings, materials and back-cloth all need careful attention.

### **Climate**

People will enjoy external spaces for passive recreation and socialising in a sunny climate if the space is well shaded and correctly orientated.

### **Aspect**

A clear understanding of the site's strengths and weaknesses in terms of views, wind, sun etc. is crucial in the creation of a successful development.

### **Topography**

The sloping nature of the site may provide opportunities for views over the coast and surrounding areas.

### **Statutory Authorities**

It will be necessary to assess all restrictions (if any) on the site.

### **Flora and Fauna**

Local vegetation can suggest unique themes which may offer good design opportunities. Areas need to be selected where land can be left untouched. Unbuildable natural features, such as rock outcrops and groups of trees can be set aside as open space and treated as an amenity and as a resource for developing the new site character as well as preserving natural wildlife habitats.

## **5. Site Planning**

This can be broadly described as the conceptual, design and image creating stage of the project building upon the market research. Planning issues include:

### **Zoning**

The distribution and relationship of amenities and facilities across the site, and in relation to one another. They should be organized to maximise the potential of the site's environment.

### **Activity Centres and Recreational Facilities**

These areas can be used to develop focal points of activity within the development. The links between these areas often become the underlying structure of the master plan.

### **Circulation**

The development of a coordinated circulation system for cars and pedestrians is crucial. In sensitive areas, care must be taken to reduce the impact of roads to a minimum. Levels, gradients, geometry and quality of surfacing all need careful consideration.

### **Parking**

This should be designed to minimise the impact of cars, taxis, buses and service vehicles, both within the project and generally hidden from the street scene.

### **Open Space and Landscaping**

Open space should be used as a form of value creation rather than treated as left over space on the fringe of development. Landscaping should be used to reinforce and enhance the development character - paying guests are buying an environment rather than a collection of buildings.

### **Swimming Pools**

Should be integrated as central landscape features where guests are encouraged to linger, shade is provided and where bathers are not on direct view to guests in reception or restaurant areas.

### **Services**

Should have little or no visual or audible impact on guests and visitors.

### **Building Density, Type and Layout**

The existing environment should generate a development type that allows for the retention of significant features and qualities of the site. This decision making process must be integrated within the density provisions in the development briefs, together with marketing and financial analysis.

### **Phasing**

Each project will probably involve a phased construction.

## **6. Architecture**

The site analysis and conceptual master planning process will not prescribe architectural style but aspects of the analysis should cue various architectural decisions. Considerations include:

### **Image**

This should evolve in the planning stage as a consequence of the site analysis. Each site is unique and hence should name its own characteristic image.

### **Materials**

These should reflect the development image, visual context, the site's setting and degree of harmony, or contrast, being sought.

### **Interior**

In any resort complex, and especially in tropical areas, the interiors should be considered together with the external treatment of the buildings and spaces. Major internal spaces are the heart of a complex, being the areas through which all people move. The treatment of such spaces should reflect a project's unique quality.



### **Sympathy and Consistency of Detail**

The design should evolve from careful study of the site and its surroundings, and once in place, the intent should be visible and consistent, extending from broad concepts to the choice of motifs.

### **Energy**

The emerging and developing principles of 'energy conservation', should be incorporated in all new developments.

## **7. Landscape Design**

One of the strongest marketing features for tourism developments is the quality of their environment. Successful developments carefully blend landscaping and architecture to achieve a consistent, unified and unique project character. Considerations include:

### **Thematic Design**

Should be related to the planning and architectural elements of the facility. For example, the use of local trees can provide both a sense of enclosure and integration with the existing landscape while lush courtyards can help extend interior spaces outward.

### **Open Space**

Each tourism development requires some form of appropriate open space which should be dedicated for the use and enjoyment of all guests. These should ideally be designed around existing vegetation and landforms. Even the smallest planting pockets, if well designed, can offer elements of form, texture, shadows, fragrances and colour.

### **Planting**

Besides the above elements, vegetation can be used for shelter. The cost of running air conditioning can be reduced by using vegetation to shield roofs and walls from direct sunlight. Planting can also be used to screen substations and garbage bins; as a barrier to prevent people straying; to stop soil erosion and stabilize slopes; and as a space definer.

### **Hard Landscape**

The selection of material depends on the purpose. The use of materials also helps to define changes of use (vehicles/pedestrians), level, ownership and approaches to focal points. Attention should be given to colour, pattern, noise, sunlight, heat and maintenance.

### **Water Features**

The appropriate use of water, its sight and sound, can enrich the enjoyments of the environment and tourism facility immensely.

## **8. Details and Management**

The overall quality of any development depends upon all aspects being sympathetically designed within an overall approach. For example, ill considered detail can impact unfavourably upon the overall impression of a project. Elements requiring particular attention include

### **Signs and Information Panels**

The message should be positive and the signs/panels sympathetic in materials, colour and location.

**Materials and Street Furniture**

High quality materials and furniture, road, footpath and hard open space surfaces, shade structures, fencing, walls, lighting, bollards, rails and the like, can make an immense difference to the quality of development. The materials and architectural form can help integrate them with their environment. Also lighting should be chosen to emphasise moods, themes and create a relaxed atmosphere.

**Maintenance**

A realistic maintenance programme is crucial in the continuing promotion and success of a project's image. It must be remembered that even the best designed developments can be seriously compromised by poor maintenance.

## 19.2 HRD TECHNICAL SUPPORT REQUIREMENTS

### (i) *Technical Assistance*

Two (2) persons for a period of not less than one year with sufficient academic and experiential reach to:

- a) Lecture core programmes as well as some specific specialisations (to be determined).
- b) Assist in the rapid assessment of industry needs.
- c) Contribute to the development of short specialised courses targeting specific needs in the Anguillian market based on the Needs Assessment in (b).

### (ii) *Facilitation of Liaison with Lead Bodies/Industry Associations*

It is proposed that liaisons with various industry lead bodies could provide opportunities for collaborative initiatives that would see the transfer of technical expertise and information and opportunities for elaboration of the work and ethics of these lead bodies beyond the borders of their usual constituency.

### (iii) *Procurement of Equipment for Kitchen*

<b>Heavy Equipment</b>	
Fully equipped kitchen for restaurant	
2 demo kitchens	
Training kitchen (to accommodate 12 stoves/ovens)	
Room for butchering	
Pastry room (fully air conditioned 2 double convection ovens)	
Ice machine	
Heavy duty mixers, food processor	
Dish washing system	
(2) 3 compartment sink (for training of proper sanitation)	
Refrigerator & freezer	
<b>TOTAL</b>	<b>US\$437,975</b>
<b>Portable Equipment</b>	
This includes all non-heavy equipment needed for every day running of program	
<b>TOTAL</b>	<b>US\$275,225</b>

### (iv) *Procurement of Equipment and Software for Info. Technology Lab*

25 computers	
Property management system for training (Galaxy, Silver Byte, Optima, Sage)	
POS (Point of Sale) system for restaurant	
Smart class rooms capability (touch screen, remote control smart board systems with overhead projectors, computers networked with WIFI connectivity.	
<b>TOTAL</b>	<b>US\$105,675</b>

### (v) *Other Education Material*

Videos, DVD, books, journals	
Conference call equipment	
<b>TOTAL</b>	<b>US\$25,000</b>



**CHL Consulting Ltd., 3 The Fountain Centre, Lensbury Avenue, Imperial Wharf, London SW6 2TW, UK**

**Tel: +44.207.731.9848 Fax: +44.207.731.1054 E-Mail: [mail@chl-uk.com](mailto:mail@chl-uk.com)**

***Halcrow***

**Halcrow International Partnership., PO Box 360, Dubai, United Arab Emirates**

**Tel: +971.(0)4 337.0380 Fax: +971.(0)4 337.9239 E-Mail: [www.halcrow.com](http://www.halcrow.com)**