

Ministry of Tourism

Response to the Second Report of the Public Accounts Committee on the Examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2014 with Specific Reference to the Ministry of Tourism

During the examination of the Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the financial year ended September 30, 2014 with regard to the Ministry of Tourism, the following issues were identified and recommendations proposed:

i. The Policy of the Ministry of Tourism

The overall policy of the Ministry holds the utmost importance as it lays the foundation for the operation of the Ministry. The policy outlines the main agenda of the Ministry of Tourism which is to enhance the attractiveness of Trinidad and Tobago keeping all its sectors in mind. The mandate of this Ministry should be held to the utmost importance in light of the economic situation where there is a need for diversification, Tourism can become a major alternative source of revenue to fill gaps where oil and gas revenue currently unable to fill.

Recommendation: Approval needs to be given for the new policy framework by the Ministry so that this can be put into action. A benchmark should be made with other tourism based economies so that Trinidad and Tobago's tourism sector can also flourish. St. Lucia can be a good example for Trinidad and Tobago to examine and consider so that the goal of increasing tourism's contribution to GDP can be achieved.

Response:

The Government of the Republic of Trinidad and Tobago (GORTT) is fully committed to tourism development as the sector continues to contribute to the country's economic diversification and the sustainable development of the people of Trinidad and Tobago. The key drivers of such a transformation reside in effective public/private sector partnerships that boost economic diversification and competitiveness.

The Ministry of Tourism operates within an approved Government Policy Framework and aligns its strategic priorities and workplan to this framework.

National Tourism Policy (2010)

The National Tourism Policy (NTP) of Trinidad and Tobago was approved in October 2010 and provides a framework that allows for the sustainable development and management of the tourism industry. The Policy commits to the use of sustainable tourism as a tool for the economic, socio-cultural and environmental development of Trinidad and Tobago for the benefit of all citizens.

The GORTT is responsible for providing a facilitating, enabling and stimulating environment for the development of tourism. In this regard, its roles and responsibilities include, but are not limited to:

- i. Providing a stable economic, social and political environment for tourism to flourish;
- ii. Ensuring the safety and security of residents and visitors;
- iii. Facilitating and providing appropriate incentives for private sector investment in tourism (administered by the provisions of the Tourism Development Act, Chapter 87:22) ;
- iv. Establishing, facilitating and enabling appropriate legal and fiscal frameworks for the industry;
- v. Facilitating the development of a tourism culture in Trinidad and Tobago and the supply of skilled manpower for the industry;
- vi. Facilitating the establishment of appropriate public transportation services;
- vii. Facilitating an active labour market policy and an appropriate labour relations environment for the industry;
- viii. Allocating appropriate financial resources for tourism development;
- ix. Promoting tourism as a national priority;
- x. Encouraging and facilitating foreign direct investment;
- xi. Co-ordinating and liaising with regional and international Governments with regard to tourism development;
- xii. Co-ordinating the tourism-related efforts of all Government ministries and related Government institutions; and
- xiii. Facilitating the sustainable and responsible development of the tourism industry by formulating appropriate development

In addition to the National Tourism Policy (2010), in January 2016, Cabinet agreed to the establishment of a Standing Committee for the Strategic and Sustainable Development of Tourism in Trinidad. The Standing Committee was mandated to develop a Roadmap to guide the tourism sector in Trinidad until 2020. The Committee examined three (3) core policy documents: the Tourism Master Plan (1995), the Vision 2020 Strategic Tourism Development Plan (2005) and the National Tourism Policy (2010). Further, the Committee explored a number of key considerations and examined secondary data on the niches currently promoted by the destination in determining the proposed way forward. Based on the research, and feedback from primary stakeholders the Committee prepared a Tourism Roadmap for 2016-2020. The Roadmap identified Business/MICE Tourism as a core niche for the destination and supporting niches which include Event/Festival Tourism, Sport Tourism and Ecotourism. The Tourism Roadmap has been submitted to Cabinet for approval.

The Ministry of Tourism embarked upon a strategic planning exercise in December 2016, and has used the National Development Strategy 2016-2030 (Vision 2030), to develop goals for the tourism industry.

The Ministry of Tourism has therefore aligned its projects, programmes and initiatives to the Government Policy Framework in order to achieve the undermentioned Development Themes/Goals stated in the Vision 2030 document (**refer to Table 1 below**). This Framework includes:

Table 1: Priority Projects aligned to GORTT Policy

| Goal | PSIP Projects |
|--|--|
| Delivering Good Governance and Service Excellence | <ul style="list-style-type: none"> • Service. Training Attitude. Respect (STAR) • Visitor Relationship Management System (VRMS) • Trinidad and Tobago Tourism Industry Certification (TTTIC) programme (TTTIC) • Establishment of a Trinidad and Tobago Regulatory & Licensing Authority • Tourism Baseline Survey • Tourism Safety and Security • Information and Communication Technology |
| Improving Productivity Through Quality Infrastructure and Transportation | <ul style="list-style-type: none"> • Trinidad and Tobago Accommodation Upgrade Programme (TAUP) • Upgrade of Beach Facilities • Upgrade of Sites and Attractions • Enhancement of La Brea Pitch Lake • Refurbishment of Quayside |
| Building Globally Competitive Businesses | <ul style="list-style-type: none"> • Proposed establishment of a new cruise port facility (e.g. in Chaguaramas) • Proposed establishment of a revolving fund - Tourism Small Business Start-up Projects • Proposed establishment of an electronic Business Platform for tourism stakeholders • Expansion of STAR and STEP Programmes |
| Valuing and Enhancing Our Environment | <ul style="list-style-type: none"> • Environmental Conservation |

ii. Responsibilities of the Ministry and the Tourism Development Company (TDC)

The Tourism Development Company Limited (TDC) is a state enterprise of the Government of the Republic of Trinidad and Tobago and the implementation arm of the Ministry of Tourism, mandated to develop and market Trinidad and Tobago’s tourism product and improve the local tourism sector.³ The TDC is currently under the purview of the Ministry of Tourism.

Recommendation: *The Ministry of Tourism and the TDC should both ensure that cohesiveness improves between the two entities to strengthen the impact of projects coordinated for the enhancement of the tourism sector. Through improved communication and enhanced coordination, projects will be executed as planned with minimal errors or miscommunication. A Senior Officer with the Ministry should be assigned to serve as the liaison officer between the Ministry and the TDC to ensure that duties are being done efficiently and effectively and that meaningful alignments exist.*

Response:

The Ministry of Tourism (MOT) was established in March 1994 to serve as a catalyst in developing Trinidad and Tobago as a premier tourist destination. It was realigned on several occasions and was eventually assigned its own portfolio and Minister in 2003. The Ministry of Tourism is mandated to formulate tourism policy and strategy. It is also responsible for guiding, regulating, overseeing and fostering the sustainable development and promotion of the tourism sector. This is achieved through effective public, private and community partnerships. The principal responsibilities which are derived from the National Tourism Policy (2010) include:

- Provision of leadership and strategic direction in tourism development
- Formulation of a national tourism policy and sub-policies to guide tourism development in Trinidad and Tobago, via the widest consultative process;
- Collaboration with relevant Agencies, Organizations, Ministries, Associations and Community Groups on matters related to tourism development;
- Monitoring and evaluation of the performance of the industry;
- Monitoring the implementation of tourism policy and ensuring that strategies and programmes are in sync with the National Development Strategy 2016-2030;
- Providing oversight of the operations of the Tourism Development Company (TDC);
- Facilitating the timely release of funds to the TDC and monitoring allocations and expenditure
- Research and planning in relevant areas to inform policy formulation and provide advice;
- Building and managing a database for tourism statistics for key segments of the tourism industry;
- Provision of an enabling regulatory environment to support tourism development and growth
- Facilitating and monitoring the administration of the Tourism Development Act, Chap. 87:22;
- Building public awareness among nationals on tourism through various media to re-orient attitudes towards customer service excellence;
- Engender entrepreneurial opportunities in the sector.

The Tourism Development Company (TDC) is a Special Purpose State Enterprise, operationalized in May 2005 and mandated to develop and market Trinidad and Tobago's tourism product. The TDC is the implementation arm of the Ministry of Tourism, dedicated to realizing the national development objectives for tourism in Trinidad and Tobago. The National Tourism Policy identifies the responsibilities of the TDC as follows:

- Development of all aspects of the tourism sector in Trinidad;
- Development and enhancement of tourism products in Trinidad;
- Establishment of standards for tourism development in collaboration with relevant agencies;
- Implementation of standards for tourism infrastructure and identified sites and attractions in Trinidad;
- Tourism marketing and promotion in collaboration with the THA Division of Tourism and Transportation;
- Promotion of investment opportunities in Trinidad;
- Maintenance of identified tourism facilities/amenities in Trinidad;

- Administering the provisions of the Tourism Development Act, Chap. 87:22, in respect of tourism investment in Trinidad.

The Ministry of Tourism will continue its efforts to strategically align and structure itself to achieve its mandate to facilitate growth of the tourism sector through increased planning, policy development, strengthened public-private sector partnerships and monitoring of trends in the tourism industry.

Leadership Meetings have been established with Heads of Department of the Ministry of Tourism and the Tourism Development Company Ltd. and are held fortnightly. These meetings are intended to provide the Honourable Minister with status updates on key projects, discuss strategic interventions aimed at developing the tourism industry and improve collaboration between the Ministry and the TDC.

iii. Pervasive Issues and the Issue of Fraud and Losses

Pervasiveness Issues are issues which require improvement within various Ministries and Departments. The issue of twelve (12) missing cheques totalling \$844,000 and seventy four (74) blank cheques discovered by the AGD has been an ongoing issues which is yet to be resolved. Thus far, the Fraud Squad of the TTPS has commenced an investigation and has been working on retrieval of persons responsible for the funds lost. Systems have been implemented to ensure future prevention for such discrepancies. Since then, the Ministry has taken some proactive measures to ensure that mistakes of this type and magnitude do not reoccur and that all safety measures are observed when issuing cheques. Persons allowed to handle cheques mainly the issuing of cheques are now kept to a minimum to ensure accountability within the respective department. An update on the investigation was provided as per response from the Commissioner of Police:

“I refer to your correspondence dated April 20, 2016, on the subject matter and inform that this investigation is being conducted by the Fraud Squad of the Trinidad and Tobago Police Service and is at present ongoing. The twelve (12) original cheques had been obtained through investigation, several persons have been interviewed and statements recorded. The investigation is not expected to be completed within a short period of time because of the nature of this investigation.”

Recommendation: *The Permanent Secretary for the Ministry of Tourism should request the required training for the staff responsible to make them aware of proper procedure to be followed in accordance with the financial regulations. Training should also be sourced to strengthen the performance of the Internal Audit. UDECOTT can assist with providing an alternative to the fireproof safe which was requested by the Ministry so that OSHA is observed and the safety of the Ministry’s important documents are also taken into consideration. The Commissioner of Police should also place more emphasis on solving this issue which has been ongoing for more than a year so that there can be justice for every missing cheque and people can be held responsible and to ensure that there are consequences for the execution of fraud.*

Response:

In response to the findings of the Report of the Auditor General for Financial Year ended September 30, 2014 the following recommendations were implemented:

- Training was provided to the staff of the Accounts Department in respect of adherence to and compliance with the Financial Regulations;
- Installation of fireproof cabinets to safeguard important Accounting documents;
- The investigation into the missing cheques is being conducted by the Fraud Squad of the Trinidad and Tobago Police Service and is still ongoing.

iv. Strengthen Internal Audit Unit and its framework

Internal Audit is a crucial area in the various Ministries and Departments and for numerous years has been identified as a pervasive issue throughout the Public Service. The role of internal audit is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. The public service has been found in general to possess weak internal audit divisions which require training, strengthening of purposefulness and a summoning of research with the assistance of the Treasury, proper training can be provided and adequate personnel placed in the respective positions and a more business-like culture developed. The Auditor General's report clearly outlined steps to combatting the issue of Internal Audit controls. Through the strengthening of the Internal Audit department many issues can be rectified throughout the Ministry. Records will be properly maintained, issues will be found and dealt with in a timely manner and there will also be a higher sense of accountability, transparency and value for money within the Ministry of Tourism.

Recommendation: A request for training should be made by the Permanent Secretary to the Treasury in order to strengthen the Internal Audit Unit of the Ministry. The Public Service Commission can also ensure that the Ministry's Internal Audit Unit is provided with persons trained properly in areas such as risk management and forensic accounting so that the Internal Audit function can be executed with creditability.

Response:

In response to the findings of the Report of the Auditor General for Financial Year ended September 30, 2014 the training plan for the Audit Unit includes the following:

- Fundamentals of Procurement in the Public Service
- Fraud Detection
- Accounting and Auditing Practices
- Certificate in Internal Auditing
- Audit of Human Resources
- Role of Internal Auditor in Risk Management

v. System to ensure value for money

Value for money should be observed when conducting all the Ministry's activities to ensure that there is efficient use of public funds. The Ministry of Tourism should implement measures so that economies of scale can be achieved in projects, the Ministry's objectives should always be kept as a focus. SWOT analyses should also be done by the Ministry to ensure that only the most meaningful and impactful projects are chosen and every dollar spent is maximized. Accountability and transparency should also remain as a goal for every Ministry in the execution of their duties.

Recommendation: *A re-evaluation of the Ministry's framework placing more emphasis on value for money when executing projects is needed. The Ministry should find a reputable country known for high performance in the Tourism Sector to benchmark off of which will enable them to base their standards on. The Ministry's procurement processes must be clearly documented and communicated to all persons involved to ensure that value for money can be achieved. This will in turn raise our standards ensuring that taxpayers' money is spent wisely and that institutions are operating at optimal capacity.*

Response:

Procurement at the Ministry of Tourism is governed by the Central Tenders Board which was established by Act No. 22 of 1961 and seeks to ensure compliance with established procurement procedures and that value for money, accountability and transparency is achieved in the procurement of goods and services for the Ministry. The procurement process as followed by the Ministry of Tourism is to:

- Determine needs, prepare project scope and terms of reference
- Reconcile needs with funds
- Prepare bid packages
- Choose procurement methods
- Invite tenders
- Receive tenders
- Evaluate tenders and make recommendations
- Select supplier/contractor/consultant
- Issue letter of acceptance
- Finalise and execute contract
- Issue orders/instructions
- Receive goods/monitor work
- Make payment
- Report on performance of the contractor/consultant

The Permanent Secretary can procure goods and services to a limit of One Million Dollars (\$1,000,000). The Ministerial Tenders Committee can procure goods and services to a limit of between Five Hundred Thousand and One Million Dollars (\$500,000-\$1,000,000). The Central

Tenders Board procures goods and services above these limits. In most cases the Ministry utilises open tendering processes to achieve value for money accountability and transparency.

The Ministry of Tourism notes that there will be a new regulatory Framework of Procurement in the Public Service as the Public Procurement and Disposal of Public Property Act No. 1 of 2015 was assented to on Monday March 13, 2017. Implementation of the Act will result in the disbandment of the Central Tenders Board., the following steps are necessary for full implementation of the Act:

- (i) Establishment of the office of Procurement Regulation
- (ii) Establishment of Procurement Units within the Public Service
- (iii) Establishment of the Public Procurement Review Board
- (iv) Development of Procurement Regulations
- (v) Arrangements for Transition.

The Ministry of Tourism is currently preparing for this transition and is exploring options towards implementation of the following:

- Hiring of trained and experienced procurement staff within the Ministry (e.g. Procurement Officers; Contract management professionals)
- The training of staff in the procurement cycle, on how to manage contracts and on the new accountabilities under the Act
- Establishment of written procurement and contract management processes (Procedures and Manuals) as approved by the Office of the Regulator
- Establishment of Registers, and introduction of IT systems to capture all data requested by the Office of the Regulator and relevant data from contractors and consultants (e.g. cost of contract; start date completion date); and
- Enhancement of audit Functions and staff within the Ministry to better monitor and audit all processes and documentation, since procurement liability will now reside exclusively with the Ministry and there will no longer be any Central Tenders Board.

vi. Penalties for non-compliance to financial regulations

The Auditor General's Report indicated that some Accounting Officers were not carrying out their duties in accordance with the financial regulations. The Exchequer and Audit Act should be observed for all financial processes in the Public Service. These standards have not been met and is a pervasive issue. Transactions were made/approved that were not in accordance with the Financial Regulations. Accounting Officers (AO) should be properly trained with the execution of their duties in accordance to the Financial Instructions/Regulations.

Recommendation: *The Treasury should provide the required training for the Accounting Officers (AO) so they can perform their duties in accordance with the Financial*

Instructions/Regulations. Checks should be in place to ensure that all financial regulations are properly followed. Purposeful non-adherence to the regulations should be punishable by law, making each AO legally responsible for any discrepancy observed. Sanctions should be implemented when violations of identifiable rules occur signifying that responsibility and accountability are meant something.

Response:

In response to the findings of the Report of the Auditor General for Financial Year ended September 30, 2014, training was provided to the staff of the Accounts Department in respect of adherence to and compliance with Financial Regulations.

vii. The process for pension benefit

Pension and gratuity are benefits paid to public servants upon retirement. A gratuity is also paid to qualifying persons at the end of their contract. The timely payment of Pension and gratuity benefit has been identified as a pervasive issue throughout the Public Service. The issue is due in part to records not being maintained within the respective Ministries/Departments where the persons were employed. Incomplete Pension and Leave records was identified as the main cause for delays in the process. Pension and Leave records was identified as the main cause for delays in the process. Pension and leave records need to be properly maintained to ensure people are able to access their funds within six (6) months.

Recommendation: *There should be a quarterly review of the Pension and Leave department to ensure that records are always updated and calculations are always made in time. This allows for the information to be processed by the Comptroller of Accounts and sent to the Treasury to be paid. In cases where persons have been in various Ministries/Departments, communication between the relevant entities needs to be enhanced to ensure the records are provided in a timely manner. When better collaboration amongst Ministries is achieved and records are constantly updated, the process will become easier. The Ministry needs to ensure that its contribution to the process is on time and eventually there will be an improvement. There are simple software systems that can help with integration, information sharing and collaboration to support greater efficiency and effectiveness. These should be explored immediately and provided with training support for relevant personnel.*

Response:

Since 2013, a system has been in operation for the processing of pension and leave records, which involves the reconciliation of personnel files with pay record cards. A spreadsheet system is now in place, to capture all established monthly paid and contract staff of the Ministry, in order to track the progress of processing each Pension and Leave record/contract gratuity statement. This will facilitate the Ministry of Tourism's compliance with the stipulated deadline for payment of retirement/separation benefits.

The Officers assigned to manage the pension and leave records are competent and no training is required at this time. All past retirees have received their retirement benefits and no queries have been received from the Comptroller of Accounts or from other Ministries. P&L records are complete for staff of the Ministry of Tourism to 2013. The Ministry also collaborates closely with the Treasury Division of the Ministry of Finance and the other Ministries to ensure that pension and leave records are accurate and payments are made in a timely manner.

viii. Status of Maracas Beach project and similar projects

As part of the Ministry of Tourism's initiatives, a project was launched to enhance the Maracas bay facilities. The project's original estimated cost is \$120 million and as at March 23, 2016, only thirty percent (30%) of the work has been completed. Problems have been encountered, stalling the completion of the project e.g. Commissioner of State Lands' approval for road diversions and also problems with the design of the facility. Although a good initiative, proper preparations were not made before the commencement of such a huge project. Through the intervention of architectural expertise and the required approval being received, this project will be able to be completed and money spent can be finally put to use.

Recommendation: The Commissioner of State Lands should prioritize the resolution of all issues under his purview in relation to the Maracas Beach Project to allow its completion. The Minister of Tourism along with the Permanent Secretary with the Commissioner of State Lands, through negotiations, should be able to find ways in which approval can be received and the project continued. The Ministry should also adhere to the layout of the facility to avoid any excess money being spent by a change to the scope of works. Value for money as always should be the main focus of each project and it should be observed when procuring goods and services throughout the construction process. Economies of scale can also be achieved when purchasing materials for the project The Public Service Bureaucracy should not be a hindrance to efficiency and effectiveness of Government's delivery of public goods and services. Thousands over an extended period will benefit from improved facilities at Maracas.

Response:

Since March 2016, there have been revised arrangements for the management of the Maracas Beach Facility Improvement Project Maracas Beach Facility Project. Cabinet agreed that the project be implemented in three work packages as follows:

- Package I - Road works and Upgrade of Drainage and Car Park Facilities
- Package II- Building Construction
- Package III- Construction of a New Waste Water Treatment Plant and Upgrade of Sewer and Water Lines

The Maracas Beach Facility Improvement Project is an Infrastructure Development Fund (IDF) funded project and as such, it is regulated by the guidelines to access funding under the IDF. The responsibility for the management of the project must reside with a Special Purpose State Enterprise. Package I is being executed by the Programme for Upgrading Roads Efficiency (PURE) Unit of the Ministry of Works and Transport while, the National Infrastructure Development Company Ltd (NIDCO) is executing Packages II and III.

In pursuance of the project's implementation a Project Committee was established and project meetings were held fortnightly with key stakeholders critical to the success of the project, namely, officials of the Tourism Development Company Ltd. (TDC); the Drainage and Highways Divisions and the Programme for Upgrading Roads Efficiency (PURE) Division of the Ministry of Works and Transport; and the National Infrastructure Development Company Ltd (NIDCO). These project meetings were co-chaired by the Honourable Shamfa Cudjoe, Minister of Tourism and the Honourable Franklin Khan, former Minister of Rural Development and Local Government. These meetings sought to address the immediate issues at the site specifically, flooding and sewage problems while forging a plan for implementation of the overall project.

To date, there have been revisions to the scope of works and cost for the Maracas Beach Facility Improvement Project. Additionally, the project is to be transferred to the Ministry of Works and Transport pending the transfer of funds by the Ministry of Finance. Project meetings are now held weekly and are chaired by the Minister of Works, Senator Rohan Sinanan.

The Sugar Heritage Village and Museum which is also an IDF funded project is to be transferred to the Ministry of Community Development, Culture and the Arts which has the mandate for museum development.

ix. Contribution to the GDP of Trinidad and Tobago

According to the World Travel & Tourism Council, Trinidad and Tobago's tourism industry contributes 3.3% to total GDP¹. Through increased investment and development of the tourism industry a greater contribution to overall GDP can be achieved increasing tourism's contribution to the economy. During this time with the drop in oil prices which was the country's number one source of revenue, the tourism sector should increase its promotional interventions in a strategic manner to attract tourists to visit Trinidad and Tobago to generate increased revenue for the country. A boost of foreign direct investment will also provide much needed foreign currency which will in turn assist local businesses and contribute to the country's standard of living. Countries within the Caribbean e.g. St Lucia with a booming tourism industry should be used as a benchmark when drafting these strategies.

Recommendation: Regional examples such as St Lucia should be emulated. A national plan within the framework of policy should be drafted in an attempt to increase the capacity of the Ministry of Tourism. The Ministry should invest in a Tobago Tourism Development Programme

¹ <http://www.wttc.org/-/media/filfs/reDorts/economic%20impact%20research/countries%202016/trinidadandtobago2016.pdf>

dedicated to developing the island's tourism industry, making it more competitive on an international level and sustainable as an industry taking the provisions of the Tobago House of Assembly Act into account The TDC should also ensure that plans drafted are executed effectively because through its execution the success of the overall strategy will be achieved. This requires monitoring, evaluation and accountability for targets and the delivery of results.

Response:

In developing the Tourism Roadmap, several destinations were examined and these included the more mature tourism destinations (Bahamas, Barbados and St. Lucia). The Roadmap contains data that was derived from the Caribbean Tourism Organisation (CTO), an organisation that provides data on all CARICOM member states. Targets and growth of the tourism sector were derived by using the forecasts of the CTO. *Destination targets* were identified in the areas of *tourist arrivals, tourist accommodation and direct employment*. It is expected that, by 2020 (using 2015 as the baseline), the country will witness a 20% increase in arrivals, with growth in every subsector including a 27% increase in Business and MICE arrivals. It is also projected that an additional 3,700 jobs will be created, and that hotel occupancy will increase from 65% to 75%. Although these are reasonably favourable numbers, it can be asserted that these are conservative estimates and can improve, depending on the investments made in the sector in the short to medium term.

Table 11: Targets for Destination Trinidad by 2020

| Category | Data Source | Niche/Segment | Current | Target | Assumptions |
|---|--|---|----------------|----------------|--|
| | | | 2015 | 2020 | |
| Tourist Arrivals to Trinidad (Overnight Visitors by Air) | Immigration Division of Trinidad and Tobago – Data = air arrivals by Nationality *Data for Festivals = estimate from TDC’s Visitor Exit Survey 2015 | Total Tourist Arrivals | 417,300 | 500,000 | Growth in T&T’s share of Caribbean market to 2% |
| | | Meetings, Conventions & Exhibitions (MICE) | 8,660 | 31,600 | Industry predictions indicate that the MICE (Meetings, Incentives, Conferences and Exhibitions) sector is poised for vigorous growth. Currently, Meetings/Conventions are estimated at approximately 10% of the total Business/MICE segment, globally this is closer to 50%. By 2020 Trinidad should aim to achieve MICE tourists which represent 36% of the current business tourism segment. |

| | | | | | | |
|-----------------------------------|------------|------------------------|--|----------------|--|--|
| | | Event Tourism | Sport Tourists | 6,140 | 12,000 | Based on data available, sport tourist arrivals to Trinidad grew by 30% per annum between 2010 and 2015. It is assumed that this average annual growth rate would remain consistent; therefore, the monthly tourist arrivals to attend a sporting event should be roughly 1,800 persons. |
| | | | Cultural Events, Music Events, Festivals² etc. | 2,400 | 3,200 | Growth in Festivals other than Carnival at an average annual rate of 6.6%. Excluding the Carnival season, one signature event that would attract 290 tourists. Establish a baseline for Carnival tourist arrival statistics. |
| | | | Eco-tourists | 600 | 1,800 | With an average annual growth rate of 25%, by 2020 the estimated number of Eco tourist per month should be 150 persons. |
| | | | <i>All Other Tourists (Traditional Business, VFR, Leisure/Recreation etc.)</i> | <i>399,500</i> | <i>451,200</i> | <i>Segment of "All Other Tourists" would continue at the current average annual growth rate of 2.5% per annum</i> |
| (Saleable) Room Stock in Trinidad | STR Global | Hotels and Guesthouses | 2,500 | 2,900 | Addition of at least 1 new Hotel with a minimum of 250 rooms plus expansion of saleable room stock through compulsory licensing and upgrade works. | |

² 2015 Tourist arrivals for Festivals based on estimate from TDC's 2015 Visitor Exit Survey, tourists attending festivals other than Carnival

| | | | | | |
|-------------|--------|---|--------|--------|--|
| | STAOTT | Small Tourist Accommodation (B&Bs, Apartments etc.) | 115 | 230 | Expansion of saleable room stock through compulsory licensing and upgrade works. |
| Direct Jobs | WTTC | | 27,500 | 30,700 | Increasing job creation in the sector from 4.2% to 4.8% of total employment. |

Tourism Baseline Survey

Additionally, the Tourism Baseline Survey is intended to collect data in the tourism sector as it relates to among other things, businesses, accommodation, employment and income. The survey will provide baseline data on the industry’s existing situation as it relates to the national economic indicators. These indicators will then be used to monitor and track the effectiveness of Programmes and Policies of the Ministry of Tourism on the national economic indicators relative to the tourism sector.

The business data component of the project in Trinidad is 90% complete. Twenty-three (23) tourism related businesses were interviewed for this component of the project. Approval for the implementation of the project in Tobago has been received from the Tobago House of Assembly (THA) and interviews for the recruitment of enumerators for the Tobago component of the project is being undertaken.

x. Short fall in tourist arrival and strategies to attract tourist

Through tourist arrivals and departures, the success of tourism is measured. It was noticed that due to multiple reasons, there has been an overall decrease in tourist arrivals. Crime was identified as the main factor deterring tourists. Mechanisms to attract tourists should be implemented to increase arrivals to Trinidad and Tobago. A linkage between Trinidad and Cuba was proposed to increase the attractiveness of local tourism but this would require a high degree of sophistication in terms of approval. An example will be St. Lucia, their St. Lucia Jazz festival has been more advertised globally than the Tobago Jazz festival which is also an indication of where the Ministry has fallen short in achieving their objectives. The Standing Committee on sustainable tourism has subcommittees that are working, looking at the destination management and the marketing strategies but these need to have a clear plan and deliver real results.

Recommendation: *Promotional packages should be developed to attract tourists to Trinidad and Tobago including cruises and carnival packages. The Ministry of Tourism can partner with tourism companies around the globe to make Trinidad and Tobago more visible to patrons considering travel to a Caribbean country. A revision of the Ministry's promotion strategies needs to be done to increase the attractiveness of the country as a destination and all the sights*

and entertainment it has to offer, given Trinidad and Tobago's rich diversity. Officials from the Ministry of Tourism and the Ministry of National Security also should introduce innovative ways in which tourists can be guaranteed a safe experience in Trinidad and Tobago. The tourism authorities must appreciate that the issue is not just increase in arrivals but increase in spending per capita for arrivals and that means events, destinations and activities.

Response:

The Government will work to develop comprehensive marketing plans for the sector and will take into consideration Trinidad and Tobago's competitive advantages and superior technologies. Marketing efforts will be target driven, niche-focussed, and infused with detailed innovative and technologically-driven strategies with deliverables that are measurable. The Government will work towards re-building Trinidad and Tobago's brand as a place for business and leisure. The Marketing Strategy speaks to:

- Maximization of destination awareness through integrated marketing and sales programs
- Increasing the number of first-time and repeat visitors to Trinidad and Tobago
- Motivation of repeat visitation with positive on-island experiences

Key Strategies and Tourist Arrival Targets by Niche

Given that the focus over the next few years would be on the Core and Supporting Niches, it is assumed that tourist arrivals, for tourists who are not included in MICE, Event Tourism and Eco-Tourism, would continue to grow at the current average annual growth rate of 2.5%. This consists of traditional business travellers who visit the destination to engage with business partners in different locations, persons who travel to visit friends and relatives, tourists who travel for leisure. This would account for an additional 14,600 tourists by 2020. Therefore, in order to reach the target of 500,000, extraordinary growth in tourist arrivals for the Core and Supporting niches would have to be achieved.

The goals which have been established for the Core and Supporting Niches have been made on the following assumptions:

Meetings, Incentives, Conventions, Exhibitions (Mice) Tourism

Industry predictions indicate that globally the MICE sector is poised for vigorous growth. Therefore, with a more aggressive marketing campaign for Trinidad as a MICE destination coupled with further investment to support the niche, a target of 31,600 MICE tourists by 2020, which represent just 36% of the current business travel market, has been set.

Event Tourism

- **Sport Tourism**

Based on data available, sport tourist arrivals to Trinidad grew from roughly 1,600 tourists in 2010 to 6,100 in 2015, an absolute increase of approximately 4,500 tourists. Assuming this absolute increase can be achieved in the next 5 years, sport tourist arrivals would jump to just over 10,500

tourists. However, with the recently constructed Aquatic Centre and Cycling Velodrome in Couva as well as other sports facilities throughout the country, there would be a greater push to hosting regional and international sporting events. Therefore, it can be anticipated that sport tourist arrival can double by 2020, reaching approximately 12,000.

- **Cultural Events, Music Events, Festivals etc.**

Currently, it is estimated that outside the Carnival season approximately 2,400 tourists visit the destination to attend events, whether they are cultural events, music events or festivals. There are many activities which take place throughout the year; however, these have never been properly promoted outside of Trinidad and Tobago. It is anticipated, by 2020, if at least one signature event can be identified each month attracting at least 300 tourists the total number of event tourists outside of Carnival would grow to 3,600. This would represent an average annual rate of 6.6% for this niche.

Other key initiatives being implemented include:

- **The Establishment of a Trinidad and Tobago Tourism Regulatory and Licensing Authority**-In an effort to better align the tourism sector with regional and international standards and best practices, the Ministry of Tourism received approval to establish a Trinidad and Tobago Tourism Regulatory and Licensing Authority. It is anticipated that the Authority would:
 - have responsibility for quality and standards in all segments of the tourism and hospitality industry, including accommodation, restaurants, transportation, sites and attractions;
 - have legal authority to create and enforce regulations to govern the tourism sector, addressing matters such as inspecting, licensing, monitoring, tourism operator registration, classification and grading; and such externalities as visitor safety;
 - generate additional tax revenues from the tourism sector; and
 - provide specific guidelines as to training/skills upgrading relevant to the registration and licensing of properties, transportation (land, sea and air) and operators.

- **Sites and Attractions**

The MOT is collaborating with the Ministry of Rural Development and Local Government and Regional Corporations to develop sites and attractions in communities throughout Trinidad.

- **Lime 365 and GoTrinBago Mobile Destination App**

Destination Trinidad and Tobago launched its 2017 marketing campaign, Lime365 and GoTrinBago Mobile Destination App on February 7, 2017. Lime365 is designed to highlight and promote the destination's active annual event calendar. A key component of the LIME 365 campaign is the GoTrinBago travel app, which forms part of destination

Trinidad and Tobago's digital marketing strategy. A free, bilingual and interactive destination mobile application, the app is the ultimate guide to discovering Trinidad and Tobago. It is currently available in both the Google Play Store and on the Apple Store. **The Go TrinBago** travel app is 100% offline and allows users to develop a personal itinerary, search for, and find a room, a tour, or a taxi at their fingertips.

Other notable features include:

The ability for users to review local places of interest

- Rate their experiences and read other user reviews
- Recommend "new" places to those who share similar interests
- Capture and posts photographs - memories.

- **National Tourism Quality Service Improvement (STAR) Programme**

The National Tourism Quality Service Cluster seeks to strengthen the value of the tourism product. It serves to motivate tourism operators to adopt standards that are internationally competitive; increase the quality of products and services and enhance the visitor experience. The following programmes fall with the cluster:

- The Service, Attitude, Training, Respect (STAR) programme which is designed to implement a comprehensive service quality improvement programme in the tourism sector.
- The Trinidad and Tobago Tourism Industry Certification (TTTIC) programme is a national certification programme designed to ensure that tourism operators and service providers in Trinidad and Tobago's tourism sector conform to prescribed standards of quality in their operations. These standards have been developed through the Trinidad and Tobago Bureau of Standards (TTBS), the national standards and certification body, as well as, through extensive stakeholder input.
- In February 2017, fifty eight (58) service professionals were trained in Customer Service, thirty- eight (38) food vendors and twenty (20) taxi drivers. To date, a total of one hundred and forty one (141) persons were trained in fiscal 2017.
- Staff of eight (8) organizations and sites namely, Las Cuevas Beach Facility, La Brea Pitch Lake, Fondes Amandes Community Reforestation Project, Mariposa Enterprises, Lopinot Country-Style Community Tourism, Inna Citi Place and Bay Ville apartments and Villa de Rose received training in Business Planning and Leadership on February 7, 2017.
- Eight (8) vendors were rewarded for service excellence under the Reward and Recognition component of the STAR Programme following Carnival 2017.
- Awareness sessions were conducted on February 7 - 8, 2017 with twenty (20) members of the Piarco Tourist Taxi Association to promote TTTIC Certification.

- **Cruise Tourism**

The Ministry of Tourism, the Tobago House of Assembly, Tourism Development Company Ltd. and the Port Authority of Trinidad and Tobago, have increased efforts towards fostering closer links with cruise lines, strengthening marketing efforts, and facilitating the enhancement of the tourism product, so as to encourage increased port calls to the destination. It is estimated that eighty-one thousand, four hundred and nineteen (81,419) passengers visited Trinidad and Tobago in 2016. This represents a 2.52% increase in overall cruise arrivals to the destination over the 2015 period. 2017 figures are quite promising as 12,951 passengers visited Trinidad in the first two months of 2017. Additionally, the MSC Fantasia will begin calls to Port of Spain during the 2017/8 cruise season. It has a passenger capacity of three thousand, nine hundred (3,900) with one thousand, two hundred (1,200) crew members. It will be the second largest cruise ship to visit to Trinidad.

xi. Lack of Oversight in Systems/Procedures at the Ministry and TDC

The Ministry of Tourism needs to maintain oversight of the Tourism Development Company (TDC) to ensure duties are being fulfilled and there is full accountability for money spent. As the implementation arm of the Ministry, the TDC is seen as an extension of the Ministry and should be overseen and managed like any other internal department. Currently this is maintained through submission of monthly expenditure reports to the Ministry. Project documents are also monitored and site visits are also conducted. The Research and Planning Unit oversees PSIP projects for which they have responsibility. The Monitoring and Evaluation Officer developed templates which they are supposed to fill information based on four areas. The minutes of meetings are also sent to the Permanent Secretary based on the performance manual for state enterprises. The issue of the Ministry and how it functions in relation to the TDC has to do with strategic resolve in the context, clearly articulated policy and the balance between autonomy and accountability for the TDC.

Recommendation: *Proper monitoring and evaluation systems should be continuously maintained to ensure the TDC performs as expected. The Ministry's Liaison Officer should also be tasked with assisting the Permanent Secretary to monitor the TDC and also maintain constant communication between the Ministry and the TDC to encourage alignment. Through the monitoring of projects and constant collaboration proper oversight can be maintained and value for money, transparency and accountability with impactful results achieved.*

Response:

The Permanent Secretary, as Accounting Officer of the Ministry, approves expenditure and provides oversight of the operations of the Ministry of Tourism and the Tourism Development Company Ltd. The Ministry requests copies of the following reports from the TDC, which are required to be submitted to the Investments Division, Ministry of Finance:

- i. Return of Award of Contracts;
- ii. Internal Audit Reports;
- iii. Board Decisions;
- iv. Annual Financial Statements/ Annual Reports.

These reports are reviewed and any instances of discrepancies or non-compliance with stated financial regulations and procedures governing the function of the Accounting Officer are reported to the Accounting Officer. If there are specific cases of suspected fraud the Accounting Officer advises the Minister and initiates corrective action. The Permanent Secretary has established monitoring and reporting mechanisms for the TDC as follows:

- a. Adherence to the guidelines for the monitoring of State Enterprises as prescribed in the State Enterprises Performance Monitoring Manual.
- b. Monthly Administrative Expenditure reports of the TDC are reviewed by the Deputy Permanent Secretary and the Monitoring and Evaluation Unit. Areas of concern are conveyed via written communication to the CEO of the TDC. Based on feedback these Reports are approved by the Permanent Secretary for onward submission to the Ministry of Finance, Ministry of Planning and Development and any other relevant agencies.
- c. Monthly meetings/discussions with heads of departments from within the Ministry and the TDC.
- d. Approval for request for releases is only granted based on proper accounting for previous funds released and data driven explanations for expenses incurred. Releases of funds under Current Transfers and Subsidies are also only approved if the TDC shows no surplus balance from previous releases.
- e. Ensure that the necessary expenditure of the TDC is in accordance with board approved policies.

The effectiveness of the TDC is assessed based on the following key areas:

- **Administrative**
 - Compliance with financial regulations and procedures governing the function of the Accounting Officer.
 - Adherence to Ministry approved policy e.g. sponsorship, travel, HR
 - Greater adherence to value for money spend and underscoring of the need to minimize unwarranted expenditure.
- **Marketing**
 - The ability to increase visitor arrivals, visitor spend and attract investment.

- **PSIP**

- An expanded tourism product (sites and attractions, customer service and visitor safety) and improved product quality (quality assurance, standards, training, certification)

The Ministry through its various departments/ units perform, inter alia, financial monitoring with respect to TDC's expenditure and its ability to effectively achieve its mandate. These Units provide reliable feedback to the Accounting Officer and interventions are made based on recommendations when the need arises. Moreover, these Units are guided by the financial regulations and the provision of the State Enterprises Performance Monitoring Manual.