

Appendix 5 Further Policy Recommendations for SIDS and Small States

Policy options and the tourism supply chain

Given the different component parts of the tourism supply chain, there are a range of policy options for small state governments and international development funders to consider. Here we briefly list some initial recommendations.

Accommodation

Excluding international flights, accommodation typically accounts for the largest share of the tourism value chain. For hotels in the larger small states, which have some manufacturing capability for hotel equipment such as beds and other furniture, following Lewis (2007) it is recommended that the hotels undertake projections for when their physical stock will need replacing. This would give local manufacturing some lead time and make it less likely that the hotels will source imports from larger manufacturers elsewhere who carry higher stock levels. (This assumes the existence of some manufacturing in the larger countries, such as Jamaica, but is less relevant for smaller states that lack manufacturing capacity to support tourism).

Food supply

Concerning the food supply component of the tourism value chain, more research is needed on the role of intermediaries between farmers and the hotels and restaurant sectors in small states. More work is needed to understand the entire food distribution systems in small states, especially the problems of bottlenecks and possible policy interventions. In addition, more research is needed – with a clear fieldwork component – on the Sandals Farmers Programme in Jamaica, to establish whether it could be replicated (or whether successful elements of it could be replicated) in other small states.

Other tourism components

For other components of the value chain, there is a need for carefully targeted research applying value chain analysis in other small states, with a particular need to fill knowledge gaps concerning tourist attractions, and the rental car business.⁶⁶ It would be useful to also map local economic linkages if possible.

Finally, there is a need for more research on the relationships between different parts of the tourism supply chain and different parts of the tourism market such as VFR, independent, business and upmarket tourists, as well as potentially important segments such as eco-tourism, and cultural and heritage tourism.

Policy options for small states and cruise ship tourism

Given the challenges for small states in hosting the cruise industry, a few initial recommendations are made here to help inform policy options for small states that could increase the benefits and reduce the costs of cruise ship tourism.

First, in terms of the economic impacts of cruise ship tourism upon small states, there is a clear need to revisit the issue of the extremely low (nominal) level of current passenger charges levied, especially in relation to the regional average airport departure taxes that tourists are now used to paying.

Second, further research is needed at the micro-economic level to analyse local multiplier effects in terms of primary and secondary economies, as well as geographically from the principal cruise region to other regions.

Third, more work is needed to evaluate the nature of the multiple and changing relationships between cruise companies and national governments in small states. Helpful lessons can be learned from examples of good practice and effective management of the cruise industry, as well as salutary lessons from poor practice.

Fourth, and associated with the previous point, there is a need for more research into actual operator costs, carrying capacity of both port areas and local attractions, and more detailed passenger expenditure surveys (preferably led by independent academics rather than commissioned by the cruise industry).

These recommendations offer some pointers to small state governments that wish to develop effective, evidence-based cruise tourism policies.