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on Transport, Trade Logistics and Trade
Facilitation:**

**Third Session:
Small island developing States:
Transport and trade logistics challenges**

24 – 26 November 2014

**Tourism and Transportation Logistics in
The OECS**

Presentation by

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*Tourism and Transportation logistics in The
OECS*



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OECS Economic Union

OECS economic union is a creature of the Revised Treaty of Basseterre which establishes a single financial and economic space between seven SIDS of the Eastern Caribbean which allows for:

- Free movement of Goods, people and capital
- Harmonisation of monetary and fiscal policies
- Adoption of a common approach to **Trade**, health, education and environment and
- The development of such critical sectors as agriculture, **Tourism** and energy

Transportation Logistics

The operation of seamless processes and systems across the Economic Union, covering Trade and Investment facilitation is compromised by varying degrees of efficiency at the Ports of entry in the OECS sub region. These Include:

- Inadequate infrastructure and equipment
- Poor connectivity with the rest of the world
- High freight charges and port handling fees

Other logistical challenges in the OECS:

- Low volume of intra regional trade
- Limited options for marine transport
- High cost associated with air cargo

Under the Regional Aid for Trade Strategy, one of the main strategy actions is to improve efficiency and reduce the cost of maritime transportation. More specifically, the activities detailed under this objective are as follows:

(1) Modernization of Caribbean Freight Logistics, Maritime Transport and Trade Facilitation:

- ❖ Upgrading port infrastructure and services,
- ❖ Establishing innovative maritime transport
- ❖ networks, and
- ❖ Implementing customs and trade facilitation
- ❖ reforms;

(2) *Modernization of Maritime Cargo and Passenger Services in the OECS:*

- ❖ **Establishing Fast Ferry services in the Southern Caribbean,**
- ❖ **developing a common shipping policy, and modernizing the fleet;**

Tourism Logistics

Saint Lucia and the OECS are generally perceived to be relaxing, beautiful, unspoilt and clean destinations. Improvement of Saint Lucia and the OECS Tourism Product are generally related to the improvement of transportation which includes improving the road network, more direct flights, improved road conditions and proper road safety procedures. According to recent Survey visitors expressed the following:

- Transportation infrastructure negatively affects the tourism product.
- Expensive destinations with high flight and hotel costs according to tourists and relatively high cost of accommodation and expensive flights are main reasons for not returning.
- Customer Service needs Improvement to get a better Tourism product.
- Islands are relatively unknown

challenges facing tourism development in Saint Lucia and the OECS

Infrastructure

- Limited transportation and poor land infrastructure
- Underdevelopment of Waterfronts
- Limited Water connectivity
- Limited environmental and ecological sustainability considerations

Marketing

- Inadequate international hotel and complementary brands
- Lack of consistency between brand perception (island perspective) and quality of the destination
- Lack of protection of St Lucian produced handcraft, design, art and gastronomy

Human Resources Capacity

- Limited HR skills and training in hospitality sector
- Inadequate international service standards.
- Lack of awareness of the benefits of tourism
- Gaps in the value chain and limited synergies between agriculture and Craft Industries

Institutional Framework

- Limited buy-in across ministries and lack of coordinated approach for tourism development
- Lack of clear priority project targets for investment and clear investment objectives for tourism development
- Limited budgets and PPP for priority projects
- Limited incentive structure which supports target projects
- Absence of clear roles which align tourism development and investment
- No Clear policy direction and financing framework

Strategic Response

- Prioritize high impact/low and high impact/high investment projects
- Build environmental sustainability capacity
- quality throughout the Tourism Value Chain
- Develop international standards

Strategic Response

- Identify and prioritise skills development need programmes
- Develop pride in tourism and hospitality sector
- Identify key HR projects for agriculture and tourism

CONCLUSION

- Saint Lucia's external position has been greatly influenced by the increasing trade deficits created by capacity constraints. As a small Island developing state (SIDS), Saint Lucia recognizes the importance of a multilateral trading system and the need to be responsive to the vagaries of a hostile economic environment that small economies consistently face in maintaining sustainable economic growth. The challenges of climate change, external shocks, high debt to GDP ratios, inflationary pressures and volatile food prices are real and have all contributed to sustained economic pressure. Consequently, the multilateral trading system must focus on a more equitable framework for trade and greater sensitivity for the circumstances of SIDS.