



ORGANISATION OF EASTERN CARIBBEAN STATES

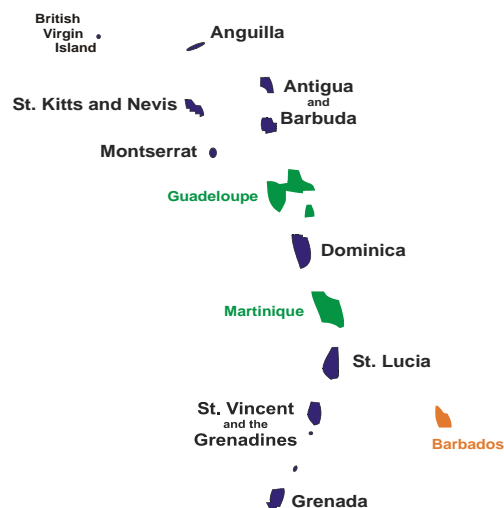
OPENING CEREMONY

**9th Meeting of the OECS Council of Tourism Ministers
Bay Gardens Beach Resort
Saint Lucia**

**WELCOME REMARKS BY
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Saint Lucia**

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WELCOME REMARKS

9TH MEETING OF OECS COUNCIL OF TOURISM MINISTERS

1.0 INTRODUCTION

Honourable Ministers, Head and Members of Delegations, representatives of Regional Tourism Organisations, specially invited guests, ladies and gentlemen, it is with real pleasure that I welcome you to this the 9th Meeting of the OECS Council of Tourism Ministers here in beautiful St. Lucia. We are pleased that St. Lucia is hosting this year's meeting, even as we regret the absence of Senator Allen Chastanet, St. Lucia's Minister of Tourism, and his Permanent Secretary Mr. Titus Preville, both unable to be with us hampered as they are by the continued flight restrictions caused by the volcanic eruption in Iceland which preclude their ability to leave the UK.

This Tourism Ministerial meeting is taking place less than two months ahead of what is expected to be a historic meeting of the OECS Authority as we move forward with the regional agenda to create, for the very first time, an OECS Economic Union - a feat which is rapidly capturing the attention and admiration of countries around the world, both large and small.

2.0 THE CONTEXT

The formation of an OECS Economic Union marks the beginning of a new and exciting phase of the OECS integration process, in which all sectors, all businesses, and all citizens of the OECS will have an opportunity to engage in shaping and sharing the benefits of a single financial and economic space - a single arena in which to do business: to move, live and work freely; and to prosper.

This movement towards an economic union is accompanied by a period of unprecedented articulation of the OECS at the regional level - into the arena of geopolitics and international relations, as a result of a carefully crafted strategy of review and recalibration of its approach

to its strategic relationships around the world - and in the process - for the very first time a number of countries have taken the historic steps of establishing diplomatic relations with the OECS, at the regional level, in a way which is simply unprecedented. In so doing the OECS has developed much closer ties and relationships with countries in south and central America, South East Asia and with countries in Europe, each seeking to expand the scope and depth of their own relationships outside of their traditional range of power and influence.

Permit me to put this in context: A new world economic order is evolving: we see it in the formation of the G20 as opposed to the G7 as the watchdog group responsible for monitoring the world's capital markets: we see it in the fact that at the World Bank and IMF meeting in Turkey, last September - China took the podium first, followed by the USA, followed by India; we see it in the new role shaped by emerging economies in the auditorium of the United Nations General Assembly; we see it in the 10 billion dollar loan which Brazil recently gave to the IMF, we see it in the rapid movement of China as it moves along a path that will see it assume the title as the world's second largest economy - in the fact of that country's economic growth in 2009 of 12% in stark contrast to the severe dislocation suffered by most of the rest of the world; in the fact of its foreign reserves which have topped the 1 trillion dollar mark - the first time for any country in the world's history - and the fact that the emerging economies: China, Brazil, South Korea, Russia, India and a handful of others from the former 'south' are the ones powering the world out of global recession. The world has changed and the OECS must position itself strategically to make full use of opportunities wherever and whenever - they arise.

3.0 THE PROCESS OF RECALIBRATION

It is for this very reason that we started this process of careful recalibration of our external outlook some time ago - seeking and embracing new non traditional partners in different parts of the world, aggressively championing our own interests and in so doing setting the stage for the articulation of a new development context

within which our future will emerge. The rewards of this strategic repositioning are already demonstrable.

Yesterday, for the very first time, Germany presented Letters of Credence to the OECS and in so doing appointed that country's very first Ambassador to the Organisation. A few months ago, Mexico and Brazil both did the same, so did Spain, in January 2009, the first country ever to present credentials to the OECS. Venezuela has appointed an Ambassadorial Envoy, and in recent weeks official notification has been received of the intention of France and Finland to do the same.

Austria has presented an invitation to the OECS to open a new diplomatic Mission in Vienna - the City of Music. They have offered to provide support to that Mission, as has Norway. In the process of outreach into the rest of the world we launched the OECS School of Diplomacy in March 2009 to provide for the development - for the very first time - of a cadre of trained OECS foreign service career personnel, able to negotiate and represent our interests around the world with every degree of confidence. Spain has already provided both financial and technical support to the School of Diplomacy. Mexico, the UK, Brazil and Australia have all indicated their interest in doing the same.

This new phase of aggressive outreach and strategic insertion into the geopolitical landscape is bringing with it much by way of tangible results and resources. Over the last 5 years the contribution of development partners to the OECS through the Secretariat has increased steadily, from 19 million dollars in 2005 to 35 million in 2009. In the seventeen month period starting July 2008 - December 2009, the OECS Secretariat channeled more than 27 million in direct funding and technical support to its Member States. By March 2010 we had already secured the commitment of 61 million dollars in support of work associated with implementing plans for an OECS Economic Union. It is clear, in no uncertain terms that the success of the OECS as a regional grouping in articulating and advancing its strategic interests in different parts of the world has significantly raised its international profile to an all time high. And this profile -

this brand of the OECS - must be used to our advantage - in tourism as in other ways as well.

4.0 THE REGIONAL ECONOMY

This rather heady portrait which I have painted, is in rather sober contrast to the difficulties with which these regional economies have had to contend over these last 22 months or so. The collapse of the integrated financial capital markets was followed in rapid succession by the collapse of the Stanford Banking Empire, CLICO, and British American with a collective exposure of the OECS economies in the region of billions of dollars. The tremendous impact of the loss of Foreign Direct Investment as major resort and ancillary development ground to a halt, as Foreign Exchange and credit contracted, as remittances shrank and as jobs got scarce - exerted serious negative effects on the regional economy. The ECCB estimates that economic activity in the Eastern Caribbean Currency Union (ECCU) contracted by over 7% in 2009, in contrast to very modest growth of 1.95% the year before. This decline largely reflected decreases in activity in the construction sector and the tourism industry. Activity in construction for example, is estimated to have contracted by 28.7% in 2009. In the tourism industry a 11.9% fall in the number of stayover arrivals was recorded last year. Declines in the number of stay-over arrivals were recorded in all member countries, of which five recorded double-digit contractions.

All indications are that the adverse impacts of the global crisis on tourism performance in the OECS are likely to extend well into 2010, given the lag in the response of employment and incomes to the recovery of economic activity, as the major tourism source markets in the USA and Europe climb out of economic recession. In addition - in the case of the UK, and by implication Europe to some extent, the demand for travel to the Caribbean, including the OECS, will be dampened by the imposition of an increase in the UK's Air Passenger Duty on airline tickets.

The likely continued slow recovery of tourism means that some of the policy measure that OECS Member States found it necessary to adopt in the immediate aftermath of the onset of the global crisis, may have to be sustained into 2010. These might include expanded but carefully targeted marketing, and negotiation of new airlift capacity. A continued programme of support to small and medium sized hotels and other core tourism enterprises might also be warranted, linked to adherence to relevant operating standards and the achievement of appropriate performance measures.

Even as the OECS tourism sector continues to come to grips with externally driven challenges, the sector must nonetheless continue to occupy a central position in the future of a more closely integrated OECS, for a number of reasons:

1. The pervasive economic impact of the sector, and by extension its strategic role in engendering the creation of a more integrated and inclusive set of business relationships, across economic sectors and across our individual borders;
2. The inherent synergies between tourism, intra-regional travel, and the expected increase in demand for expanded and more affordable opportunities for OECS nationals to move freely across the region; and
3. The growing importance that the tourism sector necessarily places on culture and heritage, which are critical elements in the creation of an OECS identity.

The challenge which falls to you, as Ministers of Tourism, to create a more diversified and inclusive economy is a tough one, but one which must be tackled boldly. The brand new relationships which we are developing at the regional level have a role to play in assisting the tourism sector to grow and prosper. It is for this reason why I am excited at the developmental possibilities which accompany the initiative - currently being explored - to open a new OECS diplomatic Mission in Austria.

Austria sits as a bridge between north and south and east and western Europe. The possibility exists to use this new facility as a

hub for tourism and investment promotion throughout Europe and as the gateway for opportunities for our artistes. The possibilities are endless, as too are the possibilities inherent in the new initiative by the Secretariat to augment the utility of the OECS Liaison Office in Toronto through the establishment of satellite offices in Nova Scotia and Calgary to assist in the movement of OECS hospitality workers into Canada during their peak summer season which coincides with our slow period.

The truth is the fact that the world is changing, and we in this region must also change and consider bold and radical innovation in response to the challenges which face us.

5.0 CONCLUSION

Your agenda for this 9th Meeting has been crafted in a manner that allows you to focus on some of the key developmental challenges which we face:

- (i) the need to operationalise the ideal of a single shared economic space, as it relates to tourism, both marine and land-based;
- (ii) the need to significantly upgrade the quality of the human resource base in the industry - we fail to do so at our peril. In so many other parts of the world, a meticulous eye is devoted to the provision of service, and it is delivered with pride, and a smile.
- (iii) the need to distinguish ourselves from the crowd, emphasizing rather than diminishing our unique qualities and attributes, including the distinction of having some of the best sailing waters in the world;
- (iv) the need to enhance the region's capacity for expanded intra-regional travel at an affordable cost.

These challenges and others will no doubt drive your agenda for many business sessions to come, but I have no doubt that you will register

significant progress here in St. Lucia, at this 9th Council Meeting of the OECS Tourism Ministers.

I wish you all the very best wishes for a productive and successful meeting.