



MINISTRY OF
DISTRICT ADMINISTRATION,
TOURISM & TRANSPORT
CAYMAN ISLANDS GOVERNMENT

**Remarks for
Hon. Moses Kirkconnell
Deputy Premier and Minister for Tourism**

**Chamber of Commerce Economic Forum
Rebuilding the Cayman Islands Tourism Industry**

In December 2019 the Cayman Islands recorded its highest tourism arrivals in history, crossing the coveted 500,000 threshold in stayover visitor arrivals. The industry was booming, workers were earning steady income and 5% tourism growth was forecast for 2020. Simply put 150 days ago we were on our way to the best year of tourism in the history of the Cayman Islands.

The tourism industry typically contributes 20-25% to the country's GDP. Between 2015 and 2019 the sector was growing at an average of 9.7% each year, often outpacing regional forecasts. The Cayman Islands average daily hotel rate was one of the highest in the Region.

For years the tourism and hospitality industry made the world go round. Airplanes dominated the skies and airports were like bustling cities occupied by people from every corner of the globe.

But the onset of COVID-19 was the start of a different story. The travel and tourism industry were the first economic casualties, leading international travel to come to a grinding halt. The tourism sector and tourist-reliant industries were hit hard, and thousands of workers were cast into unemployment virtually overnight.

Here in Cayman, tourism is not just a pillar to the economy; it is a strategic economic driver for government. Its strength instills confidence in investors and underpins millions of dollars in developments; which in turn drives construction, retail, imports and a host of other ancillary services.

Tourism stipend

The COVID pandemic has affected every sector in our community, and the most pressing questions on the minds of people working in tourism is: when can the Cayman Islands expect to get tourists back, and how will they make it between now and then?

Years of strong economic performance and prudent financial management has enabled government to protect the industry, by protecting the people who service the industry. As such, a range of initiatives have been implemented since March of this year, which includes the provision of financial support and relief programmes offered to a wide cross section of our people and businesses.

The Ministry of Tourism has funded stipends of \$600, followed by \$1,000 per month over three months, to more than two thousand registered tourism workers, to provide

relief as they wait for the pandemic to subside and tourists to return.

Additionally, the Cayman Islands government, led by the Ministry of Finance and Economic Development, is in the process of designing an economic stimulus package to support businesses which have been affected by the COVID-19 pandemic.

Under this programme, government will work with local retail banks to offer low interest bank loans, and will guarantee up to a certain percentage of the loan, with repayments deferred. The program will provide a lifeline to businesses, allowing them to access the capital they need to survive through this period of uncertainty till the industry rebounds.

Outside of this Program, the Ministry of Commerce, in conjunction with the Cayman Islands Development Bank, and the Small Business Association are also working on a series of Small Business Loans and Grants for affected

businesses, to alleviate the strain over the next 12-24 months.

Small, medium and micro enterprises in the tourism value chain are being supported in these ways because in time, they will be part of the driving force behind the industry's recovery. Businesses need skilled employees to operate effectively, and programmes are in place to facilitate the retooling, upskilling and placement in jobs, of workers who have been displaced due to COVID-19.

In addition, a national tourism training programme which covers various tourism sub-sectors and job functions, is in development, in partnership with WORC, UCCI and the School of Hospitality Studies. The goal behind these initiatives is to give our people the best chance possible to survive and flourish in the tourism industry.

For example, if your normal income is dependent on the cruise industry, you will need to get reskilled to work in the stayover industry, or other parts of our economy.

New Normal

It is difficult to predict what the travel and tourism landscape will look like post COVID-19, but indications are clear that priorities and behaviours will significantly change in line with new norms and expectations.

New safety, sanitation and virus mitigation measures are becoming a way of life and doing business. This means that we cannot go forward by doing business as usual.

Stakeholders in the tourism industry, both locally and internationally, will need to rethink their policies and re-engineer their practices to adapt to fast-changing developments.

The new normal for tourism related businesses and accommodations for the foreseeable future, is likely to include social distancing and health protocols which incorporate cleanliness and sanitation, as well as the introduction of new operational procedures.

Guests, whether domestic or international, will now be placing as much importance on health, safety and hygiene as they once did on price, location and quality of service, prior to the onset of covid-19.

Increased vacation costs

With the virus still widespread in many countries around the world, the public is understandably wary about travel at this point in time. But as borders slowly reopen, would-be tourists are increasingly looking for instructions and reassurance on how and where to choose a vacation destination that will be safe for them to enjoy with their family.

The Cayman Islands is fortunate to have our own airline which never fails to support us in times of need – whether the requirement is to strategically open new gateways, or to provide repatriation services to persons stranded far from home.

Cayman Airways has played a vital role in the Cayman Islands COVID mitigation strategy, and will continue to be central to our phased border reopening plans. While our relevant authorities are not able to mandate or influence travel policies in gateway cities, we retain full control of the travel process onboard Cayman Airways, through to arrival in the Cayman Islands and beyond.

The delay in opening our Islands borders, though regrettable, is allowing us to learn from the experiences of other jurisdictions, and is ensuring that our arrivals and screening processes are informed by international best practice, and based on the latest industry standards.

Inbound Arrivals Process

I can confidently reassure you that protecting lives and enhancing public safety has been Government's top priority since the onset of the pandemic, and it will remain a key element in all plans going forward; until a vaccine is found and the virus no longer poses a threat to public health.

Consequently, when the Cayman Islands begins the phased opening of our orders, inbound travelers must register their inbound travel request with Travel Time.

They will be required to provide a negative PCR test taken before departure, fill out a health form and have COVID-19 Health Insurance to be pre-approved for entry into our shores. Persons who do not complete this process will not be permitted to return or to visit our Islands.

On arrival, travellers will have the option to isolate in a government managed facility for 14 days and take a PCR test on day 15, or wear a health device which passively monitors heart rate, respiratory rate and skin temperature to enable earlier detection of the symptoms associated with COVID-19, and includes geo-fencing location monitoring.

Millions of people worldwide are accustomed to wearing devices such as Fitbits linked to smartphones, and smart watches to passively track fitness activity and sleep patterns.

In this instance, the health monitoring device would provide the wearer and public health officials with heightened reassurance that any cause for concern will be picked up at a very early stage, allowing public health officials the opportunity to intervene as soon as possible.

The technology would also allow wearers to self-isolate in their homes on arrival, and have a second PCR test after five days. If the result is negative, monitoring with the device would continue for a further nine days, adding up to 14 monitored days in total, but the requirement to isolate would fall away after day five. The goal is to replace quarantine and isolation with technology, as we move forward in stages.

Keeping the bubble intact

The government will be introducing these new processes to keep our 'safety bubble' intact and the Cayman Islands covid-free.

Why is that of paramount importance?

Because it will allow us to continue protecting our people; especially employees in the tourism industry, while increasing our ability to safely attract travelers to our shores.

When the Cayman Islands eventually reopens, our first visitors will likely include persons visiting friends and family, long-term residents, property owners and visitors that have been here before and are familiar with our high service standards, and the family friendly aspects of our destination.

But I specifically mention the 'new normal' because it is going to be more expensive to travel; to run an attraction and even more expensive to dine out.

Why?

Because social distancing will significantly reduce capacity and repeatedly sanitizing will undoubtedly increase operating costs.

For example, when commercial flights have to carry less passengers, the cost of a ticket will go up.

When an airport can only run at a percentage of its true capacity, flights will need to be rescheduled to avoid overcrowding in terminals, with the result being that space becomes premium and operating costs go up.

The Cayman Islands marketing strategy for the foreseeable future will therefore look closely at our source markets (the US & Canada) with the understanding that it will be more expensive for travelers to afford a vacation in the Cayman Islands.

Consequently, travelers we market to will need to fall within a particular income bracket or have a minimum net

worth in order to comfortably visit and enjoy what our islands have to offer.

Strategy for Looking ahead – marketing approach

Like the rest of the world, we are hoping that a vaccine will be successfully developed and widely available in the second quarter of 2021. In the meantime, the government is doing everything possible to get our tourism industry back up and operating under the new-normal conditions.

Until such time, our industry partners have been preparing for reopening by servicing the domestic economy through staycations, which is helping to test new processes and streamline responses in this changing and challenging new world environment.

Challenges often create opportunity and the COVID pandemic has allowed us to pause, regroup and re-evaluate who we will be marketing to and how.

For the next 3-6 months, the focus will centre on creating promotional initiatives designed to attract higher net worth guests and reintroduce tourism at the appropriate time.

One of those initiatives will be a “Global Citizen Program.” We are pursuing the opportunity to welcome business executives, entrepreneurs and students who can work remotely in a stunning and worry-free environment as they work and manage their business from offshore. This will allow a productive work environment and a luxurious island lifestyle.

Beyond that, the overall strategy all the way through the first quarter of 2021 will be to work together in rebuilding the tourism industry, while protecting our citizens and visitors.

Protecting lives has been the government’s priority and often repeated mantra, and we are approaching the reopening of our Islands borders with the same degree of due care and attention.

This is why our airports remain closed to commercial traffic until 1st October, at which time a further decision will be made; and our seaport also remains closed to cruise lines till 31st December, 2020.

We look forward in due course to gaining a clearer understanding of what the new cruise line protocols will be, so that appropriate safeguards can be put in place which consider the well-being and protection of our people as well as our guests.

Phased reopening

Meanwhile, the Ministry and Department of Tourism, in collaboration with the Reopening of Borders Committee, will continue preparing to methodically open our borders in strategic, controlled phases.

Prior to the COVID pandemic the Cayman Islands tourism industry recorded the best five years in our history. Our tourism industry is resilient and is ready for the task of

rebuilding and embracing innovation, to catapult our destination back into the global travel and tourism market.

The Cayman Islands has established a strong brand identity and reputation that will serve in our favour when we begin to actively attract visitors back to our shores.

I am confident that when that time comes, our visitors will agree that the Cayman Islands approach to safeguarding our community, and in turn our valued guests, will amply demonstrate that we have been worth the wait.

Thank you.