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**REPORT OF THE
GRENADA NATIONAL YACHTING CONSULTATION**

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Introduction

The Economic Commission for Latin America and the Caribbean (ECLAC) Subregional Headquarters for the Caribbean embarked on a project “*Development of a Subregional Marine-based Tourism Strategy*” in 2001. The project, co-funded by the Government of the Netherlands, is aimed at the development of sustainable yachting tourism in the Eastern Caribbean and focuses on the island arc from the British Virgin Islands in the north to Trinidad and Tobago in the south.

The project includes the conduct of national studies in the British Virgin Islands, St. Maarten, Antigua and Barbuda, Saint Lucia, Saint Vincent and the Grenadines, Grenada and Trinidad and Tobago. In all countries the national studies were preceded by consultations with the private and public sector and, following completion of the national reports, the findings were similarly discussed through a private and public sector consultation.

On 26 March 2003, as part of the project’s activities, a national consultation on yachting in Grenada was convened by the Ministry of Tourism, Civil Aviation, Culture, Social Security, Gender and Family Affairs in collaboration with the Marine and Yachting Association of Grenada (MAYAG) and ECLAC.

One of the objectives of the consultation was to review the report “Grenada, Carriacou and Petit Martinique: The Yachting Sector” that was prepared by the ECLAC Subregional Headquarters of the Caribbean and co-sponsored by the Government of the Netherlands. A second objective included the provision of a forum for a private sector-government discussion on yachting and the pleasure boat industry and its contribution to Grenada. The final objective was the identification of ways and means to increase the contribution of yachting as a viable component of the tourism industry in Grenada.

Participants were drawn from the public and private sectors, representing the major stakeholders in the marine industry. A list of participants appears at Annex 2.

Opening

The Permanent Secretary, Ms. Elizabeth Henry Greenidge, welcomed the participants and introduced The Honourable Minister of Tourism, Ms. Brenda Hood. The Minister, in her opening address, described the consultation as timely since this was the first time that a separate study on yachting had ever been done in Grenada. The Minister stated that the economic impact of yachting could not be underestimated and that the Government of Grenada was aware of the importance of the yachting sector.

In this respect the Minister noted the sharp increase in employment in 2001 as compared with 1997. This indicated that the opportunity for jobs was indeed promising for the sector. The Minister indicated that her government was willing to work with participants to ensure that some of the recommendations were implemented.

The Minister noted that yacht calls had been increasing and that the revenue generated was felt throughout the economy. Its awareness and support of the yachting industry was evidenced by the support given to the soon-to-be-constructed marina in Carriacou.

In closing, the Minister noted that her Ministry had been working diligently with the sector to ensure the development of a yachting tourism product of which everyone could be proud.

The Director of the ECLAC Subregional Headquarters for the Caribbean, Ms. Len Ishmael, outlined the background of the project and informed of similar yachting studies being conducted in St. Maarten, Antigua and Barbuda, Saint Lucia, Martinique, Grenada and Trinidad and Tobago. In focusing on Grenada, the Director observed that the Grenada economy was characterised by extreme volatility and stressed the need for the smaller economies to diversify their productive base. For example, robust growth rates of 7.3 % and .5 % as the previous millennium came to a close in 1998 and 1999 were replaced by alarming declines of 3.4% in 2001 followed by 0.6 % in 2002. The hotel sector demonstrated a similar pattern. Less than robust growth of 2.1% in 1998 was followed by hefty gains of 11.2% in 1999, dropping to 2.9% in the following year, followed by a contraction of 4.3% in 2001.

For those reasons, it was absolutely imperative that smaller economies such as Grenada sought to diversify their productive base, structure and composition. It was in that context that ECLAC had envisaged an increasing role for the yachting subsector in the development of this and other countries in the eastern Caribbean. A major policy implication deriving from these studies related to the economic impact of the yachting sector. In all but one country - St. Maarten with close to 1 million cruise ship visitors in 2001 - direct expenditure of the yachting sector contributed more than cruise ship tourism. Given the tremendous and continuous investment in facilities for cruise liners, and the general lack of a comprehensive framework for the delivery of effective support for the yachting sector, this finding was one with critical policy implications for many of the islands involved in this project.

ECLAC also observed that there seemed to be a rather natural selection within the Organisation of Eastern Caribbean States (OECS) and the Eastern Caribbean in differentiation of product as one moved from north to south.

Implicit in that specialisation lay the seeds of a subregional strategy based not on competition - in any event yachts were highly mobile - but on complementarity of services and products. The possibility existed, for example, for Grenada and Saint Vincent and the Grenadines anchoring the northern and southern boundaries of some of the world's most renowned sailing waters, to consider a strategy of mutual benefit in the promotion and management of direct investments in the provision of services and facilities strategically located throughout the Grenadines.

The Director concluded by acknowledging the contribution of consultants, Cuthbert Didier and Ivor Jackson, and expressing the hope that the consultation would point the way for the development of the subregional yachting sector.

Presentation by Mr. Ivor Jackson

Mr. Jackson highlighted the marine culture of the country as reflected in the boat building tradition and the traditional regattas.

The study estimated that yachting contributed EC\$36 million to the economy (as compared with cruise ship tourism of EC\$7 million). The sector also provided direct employment for 250 people. At present there were seven marinas or boat yards, three of which were built in the last four years. There were proposals for four to five more.

The study identifies a number of issues critical to the development of a sustainable yachting industry in Grenada:

- Environmental issues, in particular the management of waste oil and junk, domestic wastes, anchor damage, boat wastes;
- Risks to health and resources by failure to use the proper equipment or the use of materials (such as TBT containing paint) that are banned in, for example, the United States;
- Lack of product and quality standards for the yachting industry. The study notes that there are no standards for the yachting sector. On the other hand, standards for the accommodation sector set, for example, the conditions for licensing and registration and are administered by the Grenada Bureau of Standards. The question arises if similar standards should be applied for yachting;
- Weaknesses in hurricane protection and emergency plans for marinas and boatyards;
- An inadequate enabling investment environment whereby the existing legal instruments provide for allowances for the importation of yachts, marinas with a hotel component but not for marinas or boatyards;
- The small membership base of MAYAG, the lack of linkages between the Grenada Board of Tourism and MAYAG and the lack of an institutional structure or plan to market the country as a yachting destination;
- Shortcomings in planning, research, regulation and monitoring were also identified as additional needs;
- Accounting for goods sold in bonded facilities, duty exemption for imported yachts, delays in clearing ships' stores, who pays for overtime and the 72 hours window for clearance;
- Critical skills were missing and training is considered critical in view of technological advances, shore-based skill requirements and on-board skill opportunities;
- The undeveloped berthing and visitor infrastructure in Carriacou; a lack of mega yacht facilities; a poorly managed visitor database, limited capacity for managing marine resources and an inadequate system of moorings for environmentally sensitive anchorages.

Among the actions to be considered, the report recommended:

- The development of an improved enabling environment for investment in yachting;
- The establishment of effective mechanisms for public/private sector consultation, e.g. MAYAG to be represented on the Board of GBT;
- Improved data management;
- MAYAG to expand and to employ a paid CEO;
- Customer service training for customs and immigration officers;
- Disaster mitigation and emergency planning for the yachting sector
- Policy guidelines on trading from live-aboard yachts;
- A needs assessment on skills and training requirements for the sector;
- Clear but firm procedures for environmental impact assessment (EIA) and audits to ensure environmental protection and the private sector to lead initiatives on environment and industry standards;
- Reduce the impacts from industrial uses and wastes associated with the industry; and
- Protect coral reefs, pristine waters and other heritage resources on which yachting depends.

Discussions then centred on the difference between cruisers and live-aboards. The participants felt that most yachting visitors were cruisers and not live-aboards, but that there were no proper definitions of either category so that the distinction remained unclear and somewhat subjective. It was observed that a similar situation existed in Trinidad and that there also were no suitable definitions.

It was observed that problems in the disposal and recycling of waste oil did not affect the marine sector alone but were territory-wide. Waste oil was not alone in this as most terrestrial environmental problems eventually ended up in the marine environment. An example was given by a company that would like to connect to the sewerage system, but was advised that, as sewage was not treated, such a connection would actually worsen the pollution situation. Other issues brought to the fore were the illegal fishing or harvesting of corals; the impact the sector and marinas had on the removal of mangroves and the subsequent chain reactions which followed such a removal.

Additional comments were made on the prohibition of anchoring and the Grande Anse beach, and on problems that may arise in determining saturation points of yachts in anchorages.

Focus groups

The participants were requested to form four focus groups to discuss recommendations and follow-up activities and strategies that could be implemented in the short term. The four groups were in the areas of training and human resource development and data and research; institutional development; investment marketing and product development; and environment.

Training/Human resource development and data and research

The recommendations of this group were split between training/human resource development and data and research.

- Training/Human resource development
 - Establish regular consultations between MAYAG and the Ministry of Education. MAYAG and the Ministry to develop an awareness programme for the public and the educational sector itself on career opportunities and training which might exist on a national, regional or international basis.
 - Carry out a needs analysis of required types of professionals and identify needed training. This could be done in cooperation with other OECS countries and should also include regional institutions such as the Jamaica-based Maritime Institute.
- Data and research
 - Use data that is available at the ports of entry;
 - More intricate use of the airport computer;
 - MAYAG/GBT and the Ministry of Tourism to perform a lead role in the data collection effort but should forward the data to the Central Statistical office.
 - Carry out surveys at points of exit. These surveys should include not only airport surveys but also the official port of entry.

Institutional development

- Establish a system of consultation between government and the marine sector by:
 - Appointing MAYAG as a member of the Grenada Board of Tourism, and by developing a system of consultation between relevant government agencies and the private sector through MAYAG and specific focal points in agencies such as customs, immigration, coast guard and port authority.
- Further the harmonisation of document procedures by:
 - Promoting the one stop office (e.g. customs collection of port authority fees)
 - Simplifying and standardising the customs clearance form
 - Explore collaboration with Saint Vincent and the Grenadines
- Disseminate information:
 - Include the customs and immigration procedures in the boater's directory
 - Prepare a fact sheet with relevant information on (port) charges, anchorages, etc.

- Promote safety and security
- Standardise the procedures for the importation of goods for yachts.

Environment

- Concerns:
 - Many environmental problems are wider-based national problems
 - Garbage and the impact on agriculture and health
 - Oily wastes and their disposal
 - Waste water (black, grey and washings)
 - Toxic materials (paints, batteries etc,)
 - Accidental spills (fuel, oil, etc.)
 - Planning (location, other planning concerns)
- Solutions:
 - Develop industry guidelines with regional compatibility
 - Develop such guidelines in consultation with the industry, or alternatively have the industry prepare draft guidelines for submission to and discussion with government
 - Government to adopt such guidelines in a regulatory/legislative framework
 - Develop land-based and marine-based solutions

Investment marketing and product development

- Target areas/actions:
 - Take advantage of already existing facilities such as the Grenada Board of Tourism (GBT) or the Grenada Industrial Development Corporation (GIDC), for the development of activities such as marine facilities, chandlers, sail making and scuba diving;
 - Develop marketing niches such as sailing schools, scuba diving, kayaking and development of corporate marketing;
 - Develop sports fishing as a viable part of the marine industry;
 - Develop local investment in the marine industries;
 - Establish collaboration with Saint Vincent and the Grenadines in particular the simplification of clearance procedures (with a possible common customs and immigration office) and the development of a post ARC Grenadines Rally for Cruisers.
 - Means of implementation/ conditions to be met;
 - Use of the already existing Palm Channel, an existing cable TV advertising medium;

- Review the criteria for the support (by government) of projects;
- Transfer responsibility for the yachting sector to tourism;
- Public education of jobs in and benefits of the marine sector;
- Institute zero or low tax on marine activities (like the tourism sector);
- Small business incubation;
- Possible development of a small sea aquarium;
- Improve quality of experience.

Closing session

In closing, Ms. Frederick said that she hoped that the consultations between MAYAG and the Ministry of Tourism would continue and that the Ministry looked forward to proposals from MAYAG.

In her closing remarks, the Director of the ECLAC Subregional Headquarters for the Caribbean promised continued support for development of yachting in the Caribbean and announced that she would be demitting office in April to become Director-General of the OECS in May.

Annex 1**PROGRAMME****1. Opening Ceremony**

- 9:00 a.m. Welcome - Mrs. Elizabeth Henry-Greenidge, Permanent Secretary
- 9:05 a.m. Remarks – Minister for Tourism, Hon. Brenda Hood
- 9:15 a.m. Remarks - Dr. Len Ishmael, Director of ECLAC

2. Presentations

- 9:30 a.m.:
- ❖ Highlights of other National Studies – Mr. Erik Blommestein
 - ❖ Yachting Sector in Grenada
 - ❖ Open Forum

10:30 a.m. *Coffee break*

3. Focus Groups

- 10:45 a.m.:
- ❖ Investment/Promotion Marketing
 - ❖ Environment
 - ❖ Training/HRD
 - ❖ Bureaucratic Procedures/Institutional arrangements: Public/Private Collaboration
 - ❖ Data and Research

12:30 p.m. *Lunch*

14:30 p.m. Report on Focus Groups

15:30 p.m. Closing

Annex 2**LIST OF PARTICIPANTS**

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