
MEDIA RELEASE

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CHAMBER SAYS A LOST OPPORTUNITY

The Trinidad and Tobago Chamber of Industry and Commerce is disappointed to hear of the decision of Sandals resorts to abandon their quest for a Tobago location.

It has been over two and a half years since the initial announcement that the government was negotiating to bring the Sandals brand to Tobago. The MOU took one year and three months to negotiate and still had not reached the stage at which the parties would have been able to conclude commercial arrangements. The glacial pace of the negotiations, or at least the failure to provide stakeholders with an adequate sense of progress, further contributes to a negative image of Trinidad and Tobago and exemplifies the challenges we face in terms of the ease in doing business here.

While we accept that there has been some premature and ill-informed commentary, which we can expect and even accept as part of our landscape, we must have a commercially viable solution. We must equally accept that reasonable questions have been asked by industry stakeholders who were worthy of receiving clarification from both the government and Sandals.

We have held the view that a Sandals-managed hotel property in Tobago could have provided a catalyst for the development of the Tobago tourism product. We never shared the view that the advent of a Sandals property would so dominate the Tobago tourism market that it would serve to destroy all other competitors. Every successful tourism destination is successful because they provide a degree of variety and choice, something that every property understands they benefit from.

The loss of this opportunity represents a setback in triggering a new growth opportunity in Tobago in particular, and in the Trinidad and Tobago economy in general. If the tourism sector is to make a positive impact on the broadening of our country's economic base, a significant investment in the sector is necessary, along with a clear strategy. A well negotiated deal with a brand of Sandals' track record and reputation could have provided this base, upon which further investments could have built.

Government has an important role to play in catalysing the tourism sector, which relies on a host of publicly provided infrastructure and services. These include infrastructure such as airports and utilities of a standard to support the comfort of our international guests, and

public services like immigration, safety and destination marketing. If the government can convince hotel developers that it will do its part in providing or supporting the provision of these services, we would expect private capital to flow to the sector. In principle, we support the government being an anchor to the property development, as it is a globally recognised practice that hotel developers -- even in the private sector -- rely on successful global brands to manage their properties under management agreements. That being said, we agree that the agreement negotiated must be fair to all parties.

We must recognise that capital is mobile and brands will go where they can get the best return. We therefore have to create an environment where we attract the right brands and investments, which redounds to the mutual benefit of both the investor and the country. If we are unable to, we risk losing them to other markets.

This task of attracting the necessary partners to invest and work together in the catalysing of Tobago tourism needs to continue with renewed enthusiasm, and we feel that it is important that we review this failure to learn important lessons for our next attempt to rebuild the tourism sector. We stand ready to provide whatever support we can.

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FROM THE MARKETING & COMMUNICATIONS UNIT