

IS TOURISM A POTENTIAL ENGINE OF GROWTH  
STATEMENT BY THE ACTING PRESIDENT, MR. NEVILLE V. NICHOLLS  
TO THE BOARD OF GOVERNORS  
AT THE EIGHTEENTH ANNUAL MEETING  
HELD AT JACK TAR RESORT HOTEL  
FRIGATE BAY, ST. KITTS  
ST. KITTS AND NEVIS  
MAY 9 &10, 1988

CONTENTS

- I. [INTRODUCTION](#)
- II. [ANNUAL REPORT AND BANK PERFORMANCE](#)
- III. [TOURISM - A STRONG SECTOR](#)
- IV. [ELEMENTS OF A DEVELOPMENT STRATEGY](#)
- V. [THE POTENTIAL FOR LINKAGES](#)
- VI. [OPPORTUNITIES FOR DIVERSIFICATION AND PRODUCT DIFFERENTIATION](#)
- VII. [FINANCING TOURISM](#)
- VIII. [CONCLUSION](#)

Mr. Chairman, Distinguished Governors, Directors, Observers, Guests.

I. INTRODUCTION

We meet here today in the beautiful and historic country of St. Christopher and Nevis for the 18th Annual Meeting of the Caribbean Development Bank which was established nearly 19 years ago and given the mandate to assist in promoting the harmonious economic development of the Caribbean Region.

The Board of Governors met on this island once before - in 1976 - for the Sixth Annual Meeting. The records show, and many of us no doubt recall, what a fruitful meeting that was. At the end of it, everyone was satisfied that the Bank had reached the point where it was firmly set on course. Today, 12 years later, we are maintaining a relatively steady course amidst the economic tempests that surround us. There are two things that often strike me forcibly about this country. First, it always seems to exude a sense of history - with its Brimstone Hill, Frigate Bay, Fort Thomas and the like.

Second, it produces great leaders, stalwarts on the regional front, willing and able to tackle whatever arduous tasks confront us. I therefore have no doubt, Mr. Chairman, that under your very capable and distinguished leadership, this meeting will give us renewed inspiration to face the challenges that lie ahead. For the opportunity to meet again in this charming country, we must express our gratitude to the Government and people of St. Christopher and Nevis whose well-known hospitality has made us feel comfortably at

home.

CDB is an international venture. As we seek to improve the Region's socio-economic conditions through this venture, the cooperative and international nature of the Bank's ownership as reflected in the representation of its Board of Governors stands out as a very salient factor against the small size of our Region. There is representation not only from the 17 borrowing members of the Commonwealth Caribbean sub-region but also from Canada and the United Kingdom which were among the Founding Members and from France; and from other regional States - Colombia, Mexico and Venezuela. It is hoped that Italy and the Federal Republic of Germany will soon join the Bank and enrich this multilateral nature.

## II. ANNUAL REPORT AND BANK PERFORMANCE

As required by our rules, the Annual Report on our 1987 operations as approved by the Board of Directors is on today's agenda. However, I would like to review and to highlight some of the major elements of the Bank's performance.

From its inception to the end of 1987, CDB has recorded net cumulative financing approvals of US\$636 million (mn) of which 92% was in the form of loans, 7% by way of grants and 1% for contingent loans and equity investment. Cumulative disbursements amount to US\$491 mn or 77% of net cumulative financing approvals. Fifty-nine percent (59%) of total approvals, amounting to US\$377 mn went to those borrowing member countries traditionally referred to as the Less Developed Countries or LDCs, the population of which accounts for 13% of that of the Commonwealth Caribbean Member Countries. Eighty-eight percent (88%) of the financing to the LDCs was from the Bank's 'soft' or most concessionary resources.

What about performance during 1987 itself? Gross approvals of US\$40.1 mn were made. This was 33% lower than the level of approvals for 1986. However, cancellations in 1987 were significantly less than in the previous year and therefore, net loan approvals were only 7% less than for 1986. The level of loan approvals is a function of resource availability and of demand; and the latter depends on, among other things, the economic circumstances and debt-servicing capability of borrowing countries.

In this regard, loan approvals over the past four or five years have been slightly lower than had been hoped at the beginning of that period.

As planned, intense attention was paid during 1987 to supervision of the existing loan portfolio. This had two positive consequences. First: except for the persistent arrears of two borrowing member countries, the quality of the portfolio performance improved significantly. Second: the general rate of project implementation accelerated as borne out by, among other things, the high level of disbursements during 1987 which totalled US\$53.5 mn or 30% higher than the 1986 level. This was the highest ever level of annual disbursement by CDB except for that of US\$55 mn in 1981 which included US\$18 mn of special programme-lending under the Caribbean Development Facility (CDF). Net

income from ordinary operations in 1987 was US\$3.1 mn compared with US\$0.9 mn in 1986.

The adoption in 1985 of the policy on non-accrual of interest income on loans in arrears and in 1986 of the policy on specific provisions for losses on loans to or guaranteed by Member Countries, heavily depressed income in 1986 especially because of the provisions for accumulated past maturities. However, the recovery in 1987 is a major step in the process of consolidation and shows resilience on the part of the Bank.

It is significant too that, in 1987, in accordance with a policy which authorises CDB to lend for structural adjustment programmes, the Board of Directors approved the first loan for structural adjustment. It was made to Dominica under a co-financing arrangement with other international lending agencies.

Of particular note too is CDB's expansion of its involvement in the education sector through loans to five OECS countries for the development of technical and vocational education.

Also, during the year CDB continued to provide training and other forms of technical assistance in macro-economic, sectoral and project matters, with increased emphasis on the scope for financing and rationalisation of public sector investment programmes.

In considering the Bank's 1987 performance, I would like to mention too that there have been vigorous efforts to contain administrative expenses with a view to improving net income and thereby reducing the OCR lending rate as much as possible. That interest rate, which was set at 9.75% for the six-month period ending on March 31, 1987, was reduced to 9.5% from April 1 and retained at that level for the rest of the year.

At the same time, in concert with Contributors to the Special Development Fund (SDF), the Board of Directors reduced the lending rate on SDF loans from a weighted average of 3.7% to 2.8%. Good financial performance, prudent investment policies and sound portfolio performance are indispensable attributes for a development bank which needs to mobilise internationally financial resources for on-lending to its members. That is why the improved management and profit performance of 1987 is important. More needs to be done. And plans are afoot to further improve CDB's performance in the near- to medium-term with the objective of enabling the Bank to raise capital at the lowest rates possible on the international capital markets, bilaterally from countries such as Japan, and from multilateral financial institutions. If present trends can be continued, performance in 1987 may be viewed as a period of consolidation (which began in 1986) and preparing for future expansion of the institution in its quest to assist in the economic development of the Region.

The process of consolidating and enhancing the Bank's financial integrity and its ability to mobilise resources for the use of its borrowing members has already begun. Towards the end of 1987, negotiations were completed for replenishment of the SDF, and pledges of US\$118.5 mn were made for the four-year cycle 1988 to 1991. In the spirit of self

help, Commonwealth Caribbean Member Countries pledged 8.4% of that amount; other regional members pledged 5.5%; existing members which are members of the Organisation for Economic Cooperation and Development pledged 33.7%; one non-member - the Kingdom of the Netherlands - pledged the same amount as it did for the 1984 to 1987 cycle amounting to 4.2% of the new cycle; and both Italy and the Federal Republic of Germany have, in the spirit of commitment and cooperation which is so critical to CDB's efforts to mobilise finance, pledged 48.2% subject to completion of the formalities for their membership in the Bank.

During the year too, additional Technical Assistance resources in the form of 139 man-months of expertise were received from the Federal Republic of Germany for the biogas, biomass and small hydro-power sectors of the Regional Energy Action Plan (REAP).

I cannot end my review of the Bank's 1987 performance without expressing my own regret - an emotion which I am sure the Bank and the Region share - that Mr. William Demas, President of the Bank since 1974 gave notice of resignation just as 1987 drew to a close. There is no doubt that he was a guiding light in his service to the Bank and the Region. He stood, like a Colossus, for fourteen years, at the podium at these very Annual Meetings to deliver his annual statement. And I cannot here attempt to chronicle the vast intellectual and practical skills which he so ably marshalled to ensure that CDB was moving forward with conviction and purpose. I can say no more than that he has left an indelible mark on the Bank, its Directors, and the staff; he has been the major force in building on the Bank's foundation, so ably laid by his predecessor Sir Arthur Lewis, and in determining the shape of its present structure. But all is not lost; CDB's loss is the Central Bank of Trinidad and Tobago's gain. And if we adhere to the belief that, in the final analysis, as I am sure he would say, the Caribbean is essentially a Region of one people with a single destiny, then we may simply say that he left CDB to continue to fight the battle on another critical regional front.

So much then for my brief review of the Bank's 1987 performance. But the Bank is not an island. More to the point: it is certainly not an "island unto itself". In the past, the President's addresses have focussed on major issues facing the Bank and its Member Countries especially its Commonwealth Caribbean members. This year I do not intend to change the pattern noticeably. I would therefore like to share with you some of my own observations about how useful the tourism sector has been to many of the economies of the Region; and on the further scope offered by that sector for relatively balanced and diversified development in the Region.

### III. TOURISM - A STRONG SECTOR

The fact that during the entire decade of the 1970s those Regional economies in which the tourism sector played a major role performed consistently better than those in which it had lesser significance seems to have escaped many of us. Taking note of that fact does not deny the invaluable contribution which the oil industry made to the economy of Trinidad and Tobago in the latter half of the decade. But it is the consistency and relative reliability of the contribution of the tourism sector on which I would like to focus

attention.

It is possible that in our quest for solutions we may not have been paying enough attention to the stark facts of recent history. Perhaps we have been like the ship's Captain whose compass and radio were broken as he crossed the Atlantic and his vessel had drifted for several days. All the fresh water on board had been consumed. On his third day adrift he sighted another ship, he promptly signalled the S.O.S. message: "Compass broken; we do not know where we are; no drinking water; Please help". The reply was terse: "Put down your buckets where you are." Three times the message was signalled. Three times the same reply was given: "Put down your buckets where you are!" Finally the advice was heeded. The buckets were filled with fresh, not salt, water. He had drifted into the vast St. Lawrence River.

Tourism is probably as important to the struggling economies of the Region as fresh water was to that thirsty crew. Perhaps we have drifted into the sea of tourism and need to spare no effort in maximising the benefits which we derive from it.

It may prove useful for us to reflect briefly on the structure of the Regional economies over the past 30 years or so. At first and for the most part, sugar plantation agriculture was the linchpin of the economies. Sugar was exported and an inordinately high proportion of the goods required for consumption as well as nearly all capital goods were imported and paid for from the proceeds of sugar sales. Subsistence non-sugar agriculture supplemented incomes. Per capita incomes and consumption were very low. In the 1950s and 1960s production and export of agricultural commodities such as bananas, citrus, nutmeg, arrowroot and sea island cotton got started or intensified. National product and income increased slightly. In some countries of the Region, production of and from mineral resources, such as oil and bauxite, began. This added somewhat to the levels of employment, production, income, consumption and foreign exchange earnings of the Region's economies.

Since the 1950s and 1960s, tourism has made a significant contribution to many of the economies of the Region. In fact, tourism has become the dominant or at least a significant sector in several of the countries. It has increased and created employment and income and sustained or largely restored the capacity to import by bringing in the much needed foreign exchange. By doing so, it has made the task of national economic management much less difficult during these turbulent times.

It may be instructive to point out that for those Caribbean economies where the tourism sector is the major one, per capita income and indeed the standard of living tend to be the highest in the Region. That is certainly so for the Bahamas and the Cayman Islands. And to a lesser extent for Anguilla, Antigua and Barbuda, Barbados, the British Virgin Islands and St. Christopher and Nevis. Tourism has also demonstrated its resilience and relative consistency in its contribution to those Regional economies which developed tourism along with other tangible exports. That is so in the case of Barbados and St. Christopher and Nevis. And even when Jamaica was staggering under the influence of international recession, tourism's contribution was quite significant as a mitigating factor in the context

of a serious balance of payments crisis.

That many Caribbean countries have a clear natural advantage in supplying what has been called "the bony component" of the tourism product is perhaps indisputable.

This component has been described as: "the attractions provided by nature and historic sites" and includes "sun, sand, warm tropical climate with regular sunshine, clear blue skies, many miles of sea, volcanoes, mountains and historic buildings..." Those are attractions that a country cannot construct. It either has them or it does not. The Caribbean Countries possess in varying degrees the ambience of white sandy beaches with tantalising water for swimming etc., an interesting mosaic in topography - from the gentle rolling hills of Barbados or St. Christopher and Nevis to the rugged terrain of Grenada; from the salubrity of the unchartered mountains of Dominica to the intrigue of the dormant Soufriere of St. Lucia and the beautiful Blue Mountains of Jamaica; from the sheer power and breadth of the Kaieteur Fall on the Potaro River of Guyana to the gentle falls of Dunn's River in Jamaica or the meandering Layou River in Dominica; the impeccable sandy beaches and placid waters of Antigua and Barbuda or St. Vincent and the Grenadines; or the Baths of either Virgin Gorda in the British Virgin Islands or in Nevis. This list of natural features is certainly not exhaustive. In addition, the people of the Caribbean are warm and friendly with a rich and diversified heritage. These are some of the elements from which comparative advantage in tourism can be derived. Further, the Region is geographically close to what is probably the world's largest tourist market; and shares with it the same language and some cultural links.

It behoves the Caribbean to continue to add the "fleshy components"\* such as "entertainment, recreation, parks, gardens, zoos, duty free shopping,...hospitality and cultural items such as host population attitudes, festival pageants" (Carnival, Cropover, Jon Kanoo), sporting events and local handicrafts and cuisine - to name a few.

Of course, the optimum objective path and sectoral composition for the Caribbean economy would be one that is balanced and diversified so that overdependence on any single sector can be avoided - but at the same time recognising the constraints imposed by the small size of the economies and their almost inescapable openness. I would like to suggest too that given the track record of tourism and its contribution to employment and foreign exchange earnings of many countries of the Region, and the historical fact that the existence of a tourism sector in many of the countries appears to have made the difference between relative economic success and chronic weakness in the balance of payments, then it may be wise for many of the Caribbean countries consciously to try to build their economies with tourism as a major growth pole.

The view is often advanced that the tourist industry is fragile, fickle and extremely sensitive to economic down-turns or recessions in the countries from which tourists originate. This may be true. But the problem applies equally or perhaps more so to other export-oriented industry and production. Have not the vagaries and downward spirals of agricultural and mineral commodity prices been a constant scourge to the economies of the developing world? What could be more arbitrary or unpredictable than the imposition

of tariff and/or non-tariff barriers on manufactured exports? We are only in the embryonic stages of organisational, technological and industrial development. We must not abandon our efforts to industrialise. But we must be realistic - bearing in mind the crucial socio-political differences between the Caribbean and those newly industrialised countries which have recently had dramatic success in exporting manufactured goods. We must realise that the road to competitive industrialisation is not only long and hard, but also that the fruits of our efforts will necessarily take a long time to materialise. In the meanwhile, if we put down our buckets where we are, we may discover that the tourism sector is a good source of fresh water.

#### IV. ELEMENTS OF A DEVELOPMENT STRATEGY

I believe that it is now accepted doctrine in the Region that its development strategy must be based essentially on an approach consisting of three major elements.

First, as enunciated so well by former President Demas in his 1982 Statement to the Board of Governors, we need "a set of comprehensive national and regional development strategies combining in the right proportions inward-looking and outward-looking elements and trickle-down and basic needs elements" ([President's Statement 1982](#)).

In a nutshell, that aspect of the approach cogently and judiciously proposes pursuit of sustained economic growth through industrial modernisation based on an appropriate mix of import- substitution and export development. It recognises the need for a basic needs and anti-poverty strategy as well as one for building a growth-oriented modern private sector.

The second element, also amplified by former President Demas, in his [1987 Statement](#), speaks to the question of the dire need for rationalisation (including diversification) of our agricultural sector, to the question of food security and self reliance, and to the veritable gold mine of potential forward linkages that may be created around Caribbean agriculture.

The third element would have us focus on education, training, research, marketing and the like - all critical and necessary components of meaningful organisational development and the development of people.

I believe that the proposition that there is a place in all of this for further development of the tourism industry in our Region would find general acceptance.

Since we do have a natural advantage in tourism, then we should seek to exploit it to the fullest, converting it to accessible comparative advantage. That is not easy. We must be prepared to maximise our earnings from tourism by providing a top quality product at a competitive price. Tourism is a very competitive industry. No country or region in the world has created or can create a monopoly position for itself as a seller of tourism.

In this connection, we in the Caribbean must be constantly aware of some of the trends in

the industry's performance which are militating against our competitiveness.

A recent publication by Pannell Kerr Foster entitled "Trends in the Hotel Industry" 1987 edition which compares performance of the hotel industry internationally, observes that the hotel occupancy rate in the Caribbean in 1985 and 1986 was second only to that of the Pacific Region with occupancy levels of 70.9% and 69.6% respectively. The occupancy rate for the Caribbean has been steadily improving since 1980, surpassing those of other regions such as Canada, Mexico, Latin America, Europe, Africa and the Middle East.

That, by itself, is a good trend. However, we must not lose sight of the fact, pointed out by the publication referred to above, that the average daily rate per occupied room in the Caribbean in the period 1980-1986 increased by 62.8% to a level of US\$100.81 or 27% higher than that of the next highest region, the Middle East at US\$79.19; and considerably higher than the US\$40.96 for Mexico. We need to pay more attention to our cost structures lest we dilute the extent to which we can competitively exploit the natural advantages on which our tourism is built. We must never lose sight of the need to provide value for money.

One aspect of our tourism which we must continue to address is its seasonality. Clearly, the development of year-round tourism will improve the contribution which that sector makes to our economies.

Also, although there is much to be gained from tourism as an economic growth pole, we need to ensure that any negative socio-cultural forces and environmental problems which could accompany an expansive tourist industry do not arise. If they do, we must implement policies that mitigate their negative effects.

At this point, I would like to indicate some of my reasons, beyond that of the recent regional performance, for the view that tourism may not be subject to economic uncertainties and fluctuations to the extent that we are sometimes tempted to believe.

The travel industry is vast. It is the single largest item of international transactions outside of financial trading. Global travel rose from about 120 mn persons in 1966 to about 340 mn in 1986. A very small percentage of this demand, although drastically reduced as a result of recession or lower incomes, would present the Caribbean with a major challenge to supply.

Second: it is easier for source countries to effectively dissuade their citizens from buying tangible products which must be imported than for them to discourage travel especially when the intended destination is clean, healthy, socially and politically peaceful and stable, and offers those things (both bony and fleshy components) for which travellers yearn.

Third: the potential susceptibility to income changes and shifts in taste in the industrialised countries is not unique to the tourist industry. Moreover, the Region's



experience over the last two decades demonstrates that the Region's tourist industry has withstood at least two contractions of income in the United States (the Region's major source of tourists); and tourism expenditure has consistently expanded for the Region as a whole over the same period.

## V. THE POTENTIAL FOR LINKAGES

On a more positive note, the scope for both forward and backward linkages of the tourist industry with the rest of the economy is vast and attainable. Tourism can generate employment in a wide variety of other sectors including but not limited to: ground, sea and air transportation; infrastructure (water, roads, airports, harbours, electricity etc.); agriculture through food, vegetable, fish, fruit and meat production; manufacturing through indigenous art and craft production; the entertainment industry; and a whole host of services and facilities which can complement and enhance the tourism product.

It is estimated that in 1986, the tourism sector in the Region provided 300,000 jobs and earned US\$5.6 billion in foreign exchange. Tourism offers further opportunities for creating linkages with the rest of the economy to provide more jobs, to earn and/or save more foreign exchange, and to decrease the current levels of leakages therefrom. There is scope for greater commercial production of the food consumed by tourists and of the souvenirs, craft products and the like, which they buy. Manufacturing the furniture, linen, towels, paper products and other items which must be provided in hotel rooms would create employment for many workers in the Region. The design and production of custom clothing for our visitors' wardrobe could provide rewarding occupation for thousands of regional hands. Many of these activities would be quite suited to assisting in the development of small businesses. One could suggest a long list of potential tourism-linked economic activities. No doubt, many more similar suggestions have been already made and some of them are being followed up. What I would like to emphasise here is that we need to focus more on identifying the possibilities for linkages with the tourism sector and pursuing them vigorously. The opportunities exist; it is for us to grasp them.

## VI. OPPORTUNITIES FOR DIVERSIFICATION AND PRODUCT DIFFERENTIATION

Opportunities also abound for diversification and differentiation of the tourism product, and for providing other tourism-related services. The countries of the Region have obviously been aware of this. For instance, Anguilla, Antigua and Barbuda, BVI, Montserrat and parts of Jamaica focus a lot on upmarket tourism. Montserrat is even more specialised - rather than numerous hotels catering to package tours - accommodation is more villa type, whereby retirees from the United States and Canada build homes for their own use in winter and rent to friends and others during the summer. The BVI does some degree of specialisation in health club vacations through the existence of a specialist hospital while in Kingston, Jamaica, the existence of a Convention Centre has led to recent concentration on business and convention tourism. These latter specialisations have given rise to specialised infrastructural needs. In the case of the business and convention travel conference facilities, a whole range of associated

facilities and services, conference organisers, secretarial services have been stimulated. We should leave no stone unturned in our search for this type of opportunity which can only enhance the industry's performance and increase its contribution to our foreign exchange earnings.

## VII. FINANCING TOURISM

The financial environment in which an industry must operate is a critical variable. A recent study observed that many tourism enterprises are under-funded in terms of initial construction and furnishing costs and in regard to operating or working capital. Feedback received from the commercial banking sector suggests that over the last 10-15 years, hotel projects which were appraised for financing with repayment periods of 7-10 years have, in most instances, required an extension of the period for loan amortisation.

Mr. Chairman, you will permit me I am sure, to recall here, that CDB has resources available for the provision of longer-term investment credit to industry (including tourism) and that a Private Sector Task Force established within the Bank is assessing the scope for further lending to the private sector (including tourism enterprises) and how best the Bank can, consistent with the nature of the Bank, tailor its financing packages in response to the legitimate and practical needs of the private sector. If the term of loan financing currently used by some enterprises is insufficient, I believe that we stand ready to assist. But it may be noted that our experience is that the length of the amortisation period is not the primary problem. We can make loans to private businesses for periods of up to 18 years including a maximum of five years grace, but in many cases, the amount of equity invested in some hotel projects is insufficient to enable the enterprise to raise adequate loan capital and attain financial viability. Although CDB is authorised to participate in equity investments to a limited extent, for various reasons much use has not been made of this type of investment. However, when the findings of the survey now being conducted by CDB's Private Sector Task Force have been analysed, consideration may very well have to be given by our Board of Directors to the extent to which that mechanism should be used.

We have recently exchanged views with a multilateral financial institution which provides financing for private sector projects. That institution is examining the possibilities for participating in the financial restructuring of hotel enterprises in the Region, where needed, with a view to ensuring that such enterprises will be able to reorganise their finances in such a way as to minimise the difficulties caused by inappropriate levels of equity, loan and working capital. CDB supports such efforts as an integral part of its duty to assist in the mobilisation of appropriate resources for the development of the Region.

Starting with its very first loan in 1970, CDB has, directly or indirectly through national DFCs, financed several tourism and tourism-related projects including hotel construction, cruise ship piers, restoration of historical sites, shopping complexes and other support facilities for the cruise ship business. Indeed, as recently as its meeting two months ago, the Board of Directors approved a loan of US\$1.1 mn for developing a tourism centre in Basseterre. In July last year, we approved a Technical Assistance Project to develop

proposals for restoration of military and historic sites in the East Caribbean. It is expected that this effort will identify further opportunities for financing tourism-oriented projects.

Statistics on ownership patterns in the tourism sector of the Region are somewhat scarce. However, it is estimated that most of the larger hotels are owned by Governments and by expatriate companies. This no doubt reflects the scarcity of domestic capital in relation to the size of capital required for such ventures.

It is further observed that local private investment in the industry has generally been concentrated in small hotels, apartments, guest houses and ancillary services such as restaurants, discos, car rental and the like. Many of these projects have obtained loan financing from national DFCs to which CDB has provided line-of-credit resources. If required, more of this can be done.

I am confident that if the Region considers it prudent to seek to expand and diversify the tourism sector and to promote the development of other tourism-related services, CDB will continue to do everything in its power to assist in facilitating such developments.

## VIII. CONCLUSION

In conclusion, therefore, Mr. Chairman, what I have been suggesting is that tourism has been playing a critical role in helping to sustain those of the regional economies that have managed to establish even a small tourist industry. Its contribution to employment and foreign exchange earnings has not been negligible. And what is more important is that it offers vast potential for further active and vigorous development. The present is often fashioned by the past; and the future by both past and present. Therefore we should never let our plans for the future be based on wishful thinking. They would be more realistically based on an assessment of where we are today, how we got there, and where we would, with reasoned practicality, like to go. I realise that the issues I have raised here will require more detailed consideration than could be attempted in a statement such as this.

Perhaps the time is right for us to devise a new thrust so as to explore, individually, nationally and regionally, further possibilities for developing strategies to maximise the contribution which tourism can make to many of our regional economies. There is no doubt that many Regional Governments and their tourism development agencies are constantly searching for ways to improve and expand the tourism sectors. I know that the Caribbean Tourism Research and Development Centre (CTRC), in particular, has been doing invaluable work in tourism at the Regional level, and can make an important contribution to the development of new strategies. CDB is prepared to play its part in collaboration with Governments and the appropriate agencies, both national and Regional.

Putting down our buckets will demand organisational skill, energy, perseverance and imagination. We can do it. We must! After all, it is not only politics which can be defined as "the art of the possible". Economics too may be so described.