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**Conditions and Trends
in Caribbean Tourism
Influencing the
Development of the
Southeast Peninsula**

DESFIL

Development Strategies for Fragile Lands
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**CONDITIONS AND TRENDS IN
CARIBBEAN TOURISM INFLUENCING
THE DEVELOPMENT OF THE
SOUTHEAST PENINSULA**

by

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EXECUTIVE SUMMARY

A. Opportunities

1. Opening up the Southeast Peninsula (SEP) to development as a result of the penetration road will allow St. Kitts to take maximum advantage of continuing strong tourism growth in the Caribbean region. The scenic and recreational values offered by the SEP represent an exceptional opportunity for St. Kitts to increase its share of the regional market providing the type of development is responsive to market demand for quality accommodations and a high level of environmental amenity.
2. Caribbean tourism enjoyed an outstanding 9.65 million stay-over arrivals and 5.6 million cruise passengers in 1987. Continued growth in regional tourism is expected to correspond with rather optimistic forecasts for world tourism arrivals and expenditure up to 1999. An ongoing building boom, which could result in a 25% room increase in Caribbean accommodation from 107,000 in 1987 to 133,750 in 1991 reflects the optimism with which regional tourism is being viewed.
3. If St. Kitts/Nevis, at least, maintains its share of the international tourism market of just under .02%, its tourist arrivals would reach 90,000 by 1991 and 123,000 by 1999. Room expansion at Frigate Bay, a major development (Four Seasons) in Nevis and planned projects at the SEP could more than double St. Kitts/Nevis' room capacity by 1991 and hence double tourist arrivals long before 1999. The country should anticipate and plan against labour shortages in construction and hotel operation and infrastructure problems that usually plague rapidly expanding small tourism economies.
4. In addition to the hotel sector, the yachting, scuba diving, and cruise ship sub-sectors are expected to grow significantly in the next decade. The SEP provides the opportunity to construct an appropriate size marina which would attract a small, but critical share of the yacht tourism market. Scuba divers can be attracted through special resort scuba vacation packages. The SEP can be made a major asset in the cruise destination package, providing an exceptional scenic tour, an anchorage for small shallow draught cruise ships, hiking and other forms of recreation.
5. To increase its share of the cruise passenger market, St. Kitts/Nevis needs to undertake a comprehensive cruise destination development programme in attractions, services and infrastructure. In addition, it holds the potential to adapt the development and use of properties and natural resources to various market segments and/or interests, e.g., golfers and other sports enthusiasts, scuba divers, business and incentive groups, persons seeking exclusiveness and seclusion, sail boarders and other sailors.

B. Constraints

1. Present regulatory measures and permitting procedures applicable to the Southeast Peninsula are insufficient to prevent inappropriate development and environmental degradation. Public and private sector collaboration, along with appropriate regulatory measures are required to ensure that natural resources are developed and used to promote tourism and related economic activities, with minimum environmental, social and cultural impacts. Resources of particular concern subject to irreparable damage from inappropriate uses and development practices include beaches, anchorages, coral reefs and sea grass beds, salt ponds, sand dunes, forests and wildlife; amenities, such as scenic look-outs and view-sheds are also subject to degradation from poorly sited and insensitive development.
2. Sober thinking is required, even at the conceptual planning stage, if tourism development on the SEP is to be kept within manageable limits. Tourism development could be seriously impeded by growth rates which exceed the Government's capacity to provide infrastructure. Labour shortages in the construction industry and in the availability of trained personnel for the hotel sector characteristically plague rapidly expanding, small tourism economies.
3. Based on current expansion plans for Frigate Bay and new development coming on stream in the SEP, St. Kitts/Nevis is likely to witness a serious labour shortage in construction and hotel workers within the next five years. Like other small destinations that have experienced or are experiencing rapid tourism growth, e.g., USVI, BVI, St. Martin, Antigua and Barbuda, St. Kitts/Nevis may be forced to turn to immigrant labour, with attendant problems of housing shortages and overtaxed infrastructure.
4. St. Kitts/Nevis is not currently regarded as a destination for up-scale tourism. If it is to become an up-market destination, as is considered desirable, key real estate on the SEP must be developed for quality resorts instead of middle-market and budget accommodations typical of Frigate Bay.
5. The limited ferry service between St. Kitts and Nevis currently impedes convenient tourism movement and exchange between the two islands. With the opening of the SEP, the demand for improved inter-island ferry service will grow. Improved ferry schedules, travel frequency and flexibility will be demanded by the growth in tourist and resident travellers, commuting workers and business persons. Future demand might justify establishment of a car ferry, which could either be publicly or privately owned and operated. A feasibility study for a vehicle-carrying ferry should be commissioned fairly soon, before the absence of such a facility seriously constrains future opportunities. This study should take into consideration the potential environmental impacts of terminal facilities and of alternative fuel uses on water quality and marine ecosystems.

6. Because of the multi-destination routings of regional flights, travellers to St. Kitts/Nevis need to book in advance to secure seats, particularly in peak season. Late decision travellers find it very difficult to book seats on the North American or European routes or on the regional connections. Such problems will continue to afflict St. Kitts/Nevis until (a) regional air travel authorities and the airlines improve cooperation in devising hub/spoke systems and (b) St. Kitts/Nevis expands its tourist plant to the point where more direct international flights can be attracted. When capacity reaches 1500-2000 rooms, St. Kitts/Nevis will be able to compete for direct flights, assuming that investments would have been made to improve terminal facilities at the airport.

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SCOPE OF WORK

The report is based on a scope of work as outlined:

1. "Describe and assess current conditions and projected trends in Caribbean tourism as it might affect St. Kitts/Nevis generally and the SEP in particular.
2. Describe the various segments of the tourist market which are likely to find the Peninsula appealing, and make suggestions how to market the Peninsula to the target audience. Eco-tourism and recreational boaters are among segments that should be considered.
3. Conduct studies of cruise ship visitations and recommend a strategy to have cruise ship tourists visit the SEP.
4. Prepare an inventory of natural amenities and resources to be developed and formulate a matrix of decisions to be made regarding public and private investments that might be needed to enhance the natural amenities and resources.
5. Based on the inventory of natural amenities and resources on the Peninsula, suggest how the Peninsula might be developed to emphasize these asset.
6. Assess and evaluate linkages with other attractions on St. Kitts and Nevis including the desirability of a car ferry between the SEP and Nevis."

1.0 CONDITIONS & TRENDS

1.1 Industry Performance

Caribbean tourism performed exceptionally well in 1987. Stay-over arrivals were 9.65 million, gaining approximately 14% in 1986 with cruise passenger arrivals rising by 12% to 5.6 million during the same period. St. Kitts/Nevis' share of Caribbean stay-over arrivals and cruise passenger arrivals in 1987 was .7% (64,600) and .6% (31,400) respectively. The latter includes yacht passengers.

Generally, conditions and trends favour continued growth in Caribbean stay-over arrivals, and in the more volatile cruise passenger arrival sector. A regional hotel construction boom, along with significant public and private sector investment in cruise ship facilities is an indication of the optimism with which regional tourism is being viewed.

Room accommodations are expected to grow by at least 25% by 1991 to 133,750 from 107,000 in 1987. American Express Travel-related Services Company Inc. reports an expected increase of 6,000 by the end of 1988 in the Dominican Republic alone, with an additional 9,600 rooms by 1990. Antigua is expected to add over 3,000 rooms by 1990.

Cruise passenger accommodation is expected to expand further. Between 1980 and 1988 nearly 35,000 new berths were added. More than 80 ships having about 60,000 berths cruised the Caribbean in 1987. At least three (3) "super ships", each accommodating more than 2,000 passengers, will be added to the fleet by 1990.

Data is not available, but yachting tourism is believed to be expanding, particularly in the Virgin Islands and the St. Barts/St. Martin/Anguilla sub-region.

1.2 Market Trends

1.2.1 Main Markets

Between 1983 and 1987 the Caribbean depended on the U.S.A. for roughly 62% yearly of its tourist arrivals (See Appendix 4). U.S. visitors to St. Kitts/Nevis as a percentage of total tourist arrivals increased from 28.8% in 1983 to 41.8% in 1987 (See Appendix 5). Canadian visitors increased significantly from 6% in 1983 and 1984 to 16% in 1985 and 19% in 1986, falling off to 16% in 1987. For the first six months of 1988, Canadian arrivals to St. Kitts/Nevis dropped a notable 40.5% from the same period in 1987, allegedly because Jack Tar has reduced its emphasis on the Canadian market to fill its St. Kitts property.

1.2.2 Forecasts

International tourism forecasts up to 1999 are fairly optimistic. One forecast by the Economist Intelligence Unit (EIU) predicts international growth in trips from 497.8 million in 1986 to 909.7 million in 1999 and growth in tourist expenditures from US\$108.9 billion to US\$196.2 billion during the same period (See Appendix 6).

Trips by West Germans and Japanese will more than double. Significant increase in travel by other Europeans is also predicted while travel from the U.S. will decline if the EIU forecast is accurate. If St. Kitts/Nevis maintains its current share of the international market of just under .02% it will almost double its tourist arrivals by 1999 from a 1987 total of 64,600 (Table 1). This is realistic given the existing plans for expansion in accommodation and anticipated future development at Frigate Bay, the SEP and Nevis.

TABLE 1 Tourist Arrivals 1983 - 1987 & Projected Arrivals 1991 - 1999

	1983	1984	Actual			Projected		
			1985	1986	1987	1991	1995	1999
A. International Arrivals (Millions)	292.8	319.3	333.8	341.4	363.7	508.0	603.9	702.2
B. Caribbean Arrivals (Millions)	7.2	7.6	8.0	8.5	9.7	12.7	15.1	17.6
% of A	2.5	2.4	2.4	2.5	2.7	2.5	2.5	2.5
C. St. Kitts/Nevis Arrivals (Thousands)	34.3	39.8	46.1	55.1	64.6	88.9	105.7	123.2
% of A	.01	.01	.01	.02	.02			
% of B	.5	.5	.6	.6	.7	.7	.7	.7

Source: Caribbean Tourism Research Center (CTRC), Barbados, International arrivals, Caribbean & St. Kitts/Nevis arrivals

Economist Intelligence Unit (EIU), England, International projected arrivals

Should the U.S. travel market decline as forecasted by the EIU, St. Kitts/Nevis and the rest of the Caribbean would need to look to the major growing markets, i.e. Europe, Japan and to a lesser extent Canada, to maintain market share. This will not be easy since European travel to the region tends to fluctuate with exchange rates; falling notably from 823,000 visitors in 1980 to 674,000 in 1984 to recover to more than 900,000 in 1987 based on the growth in exchange rate of European currencies against the US\$ since 1985. Cost and time of travel, plus the vagaries of currency exchange provide little hope for attracting a significant portion of the Japanese market.

1.3 Hotel Accommodation

A CTRC unpublished survey reveals that in 1987 the Caribbean had approximately 108,000 rooms; 84,000 in hotels, 3,000 in guest houses and 21,000 in apartments/villas. One hundred eighteen (118) large hotels with 200 plus rooms accounted for over 40,000 rooms. There were 127 hotels with 100 - 200 rooms. Seven of the largest Caribbean properties, (600 - 1200 rooms) are located in the Bahamas, Dominican Republic (DR), Bermuda and Puerto Rico. Another 872-room hotel will open in the Bahamas at the end of 1988.

The growing presence of multinational hotel chains in the region as owners or operators of properties, along with the major investments by other international companies suggest a continuing trend towards larger properties of more than 200 rooms. CTRC identified 31 properties (21 with more than 200 rooms) in the region owned or operated by eight (8) hotel chains, totalling 9,029 rooms. Club Mediterranee is the largest operator with eight (8) hotels having a total of 2410 rooms.

Expansion by multinational hotel chains is planned (e.g., DIVI, Ramada) or otherwise expected in both resort and budget accommodations. The chains and other investors are expected to continue their experimentation with the all-inclusive hotels because of the relative financial success that such operations offer operators and the sense of security felt by guests. Most destinations will offer some resistance to an oversupply of all-inclusive rooms in response to negative social reaction and the feeling that all-inclusives discourage non-hotel tourist expenditure.

Caribbean destinations will face stiff intra-regional and extra-regional competition in the next decade. With the possibility that regional room capacity could almost double in that period, a major challenge for most destinations will be to maintain acceptable levels of room occupancy. Such rapid expansion could trigger a price war that could produce significant rate reductions in middle and budget market properties, a situation that could also derive from the re-emergence of Cuba as a major regional destination, given the warming of super power relations.

St. Kitts/Nevis must give serious reflection to what its optimum or manageable plant capacity should be. The possibility that the local hotel plant could grow to 5,000 rooms by the end of the century is not far-fetched given the potential of Frigate Bay, the SEP and Nevis (Table 2). Planned expansion at Frigate Bay could realistically add close to

800 additional rooms within five years and there is over 150 acres of undeveloped land available for tourism projects. Less realistic at this time are the proposals for SEP which should undergo considerable refinement and contraction before execution (Table 2). Two conceptual plans for fairly large development projects at the SEP lack the sensitivity to the problems in basic infrastructure, labour and environment that would result from their size. Sober thinking is required even at the conceptual planning stage if tourism development at the SEP and all of St. Kitts/Nevis is to be kept within manageable limits.

TABLE 2 Proposed/Planned Additional Rooms St. Kitts/Nevis¹

Name	Developer	N ^o Rooms	Type Development
<u>SEP</u>			
1. Grande Saline Resort	Dumez	3000+ ²	Hotels; condos; casino; 9-hole golf course
2. St. Kitts Resort	Michael & Alghanim	700+ ³	Hotel
3. Divi Hotel St. Kitts	DIVI Hotels	200	Hotel
4. Banana Bay Resort	OTI	225	Hotel
		4125	
<u>Frigate Bay</u>			
5. Sand & Sea		34 ⁴	Condo /hotel
6. Timothy Beach Resorts		40 ⁴	"
7. Island Paradise/Seabolt		100 ⁴	"
8. Pirates Nest		225 ⁴	"
9. Halfmoon Bay	Halfmoon Bay Ltd.	150	"
10. St. Christopher Club		222 ⁴	"
		771	
<u>Nevis</u>			
11. Four Seasons	Dumez	200	Hotel

¹Frigate Bay and Nevis projects are realistic, while those for SEP are conceptual.

²This estimate is derived from very preliminary conceptual project plans which list approximately 950 villa/condos, 50 marina villa type units and four hotels to be constructed on 1000 acres at Great Salt Pond. While it reflects the scope of the developers' thinking, this scale of development is perhaps neither feasible nor desirable.

³This figure is based on a very preliminary conceptual plan showing two hotels with a total of 350 rooms, one inn of 100 rooms and villas with an estimated 250 rooms. The final project is likely to be much smaller.

⁴Near completion or ongoing.

Source: SEP Conservation & Development Board; Frigate Bay Development Corporation.

Within the next five years St. Kitts/Nevis is likely to witness a serious labour shortage in construction and hotel workers. Like other small destinations that have experienced or are experiencing rapid tourism growth, e.g., USVI, BVI, St. Martin, Antigua and Barbuda, they will be forced to turn to immigrant labour, with attendant problems of housing shortage and overtaxed infrastructure.

1.4 Marine Tourism

1.4.1 Yachting

Bareboat chartering (chartering a boat without crew) grew rapidly in the U.S. and British Virgin Islands in the early eighties, but has levelled off at about 500 boats between both territories. Dependent mainly on the United States and moreover on approximately 4% of the U.S. population, bareboating is not expected to grow significantly in the next 12 years (G. Laine, pers. comm.). Crewed chartering, on the other hand, is on the increase and has major potential for growth in the region.

The major bareboating charter company in the region, Moorings Ltd., operating presently in BVI and St. Lucia, will expand its BVI crewed boat fleet (51 and 60 ft boats) to 20 by 1990. The Moorings personnel calculate that 70% of their crewed-boat charterers are first-time sailors and thus see enormous potential for exploiting this market. They are therefore promoting the Club Mariner concept in which guests spend part of their vacation at one of two of the Moorings' hotels on Tortola and the remaining time sailing. Moorings Ltd recently bought Secret Harbour Hotel in Grenada and will develop an adjacent market to further explore their Club Mariner concept in the Grenadines. Ramada is offering a similar package at a newly-acquired property at Nanny Cay Marina, Tortola.

At the 1988 USVI Charter Yacht League boat show, 107 crewed charterboats were viewed by 173 yacht brokers from 123 companies of North America. The yacht charter industry is reported to have contributed US\$42 million from 35,000 visitors to the VI economy in 1985.¹

This figure should be viewed with caution since the USVI, BVI and the Caribbean at large have rather inadequate procedures for reporting boat traffic volume and expenditure.

Antigua's annual boat show held in December attracted over 100 crewed charterboats, indicating that chartering is very alive in the OECS, with the Grenadines being a major sailing area, second only to the US/BVI. St. Kitts/Nevis has gained little from the regional yacht charter industry because it lacks marina facilities and services that attract yachts.

¹Caribbean Boating, early December issue, 1988, p. 28.

1.4.2 Scuba Diving

Reliable data is not available but scuba diving may be the fastest growing sub-sector of the tourism industry in the region. The U.S. provides the largest market for diving in the Caribbean with 1.2 million active divers and 250,000 new divers added to its ranks every year, according to Skin Diver Magazine.²

The magazine provides a profile on U.S. divers that is appealing to Caribbean destinations, i.e. 60.6% travel overseas on their dive vacations (a large percentage to Caribbean destinations as shown in Table 3); average diver household income is US\$48,500; average dive vacation is 7.3 days and average vacation expenditure is US\$1,598.

The ten (10) top diving destinations for U.S. divers, based on a Skin Diver Magazine subscriber survey, are shown below in Table 3.²

TABLE 3 Ten (10) Top Diving Destinations for U.S. Divers

Destination	% of Diver Taking Trips Outside Continental U.S. in the Past 3 Years
1. Bahamas	33.7
2. Caymans	31.4
3. Cozumel	28.5
4. Hawaii	21.8
5. Bonaire N.A.	13.4
6. U.S. Virgin Islands	13.2
7. Cancun	11.2
8. Jamaica	8.4
9. British Virgin Islands	6.9
10. Other Caribbean	13.5

Note: Based on 838 respondents. Multiple responses carry totals above 100%

Source: Skin Diver Magazine²

Certain trends in the sub-sector are noteworthy, i.e:

- (a) a steady growth in shorebased diving operations, many of which are located at resort facilities.

²Skin Diver Magazine Subscriber Survey, 1987.

- (b) the emergence in the past three years of several "live-aboard" dive boats, i.e. boats with overnight capacity of up to 42 passengers and 150 ft length, some offering all-inclusive packages. Nine live-aboards with a total passenger capacity of 144 persons are based in the BVI. Two or three reportedly cruise and dive the St. Martin/St. Kitts/Saba areas. Multi-destination packages are expected to become a major feature of live-aboards in the future.
- (c) resort facilities and dive tour operators collaborating in several Caribbean destinations to offer dive vacations to shore-based divers.
- (d) a significant increase in crewed and bareboat charter operations offering scuba diving as an option to charterers. More than 50% of the crewed charter boats operating in the BVI and USVI carry diving equipment.
- (e) ongoing collaboration between Skin Diver Magazine and scuba diving operations (private industry) and Governments to promote respective Caribbean countries as dive destinations through special magazine features. The November 1988 issue of Skin Diver Magazine featured Caribbean wreck dives. Such efforts should result in continued growth in the industry and the promotion of the Caribbean as a large diving destination.

1.4.3 Cruise Ships

The Caribbean is the most popular cruise ship destination, particularly for ships operating from U.S. ports. In 1987, 82 ships with just less than 60,000 berths cruised the region, compared with 35 ships and 35,000 berths in 1982. More than 50% of the berths are on ships between 200 - 1000 ft, while ships between 1000 and 1800 ft account for 44.2%.

TABLE 4 Cruise Ships Operating the Caribbean by Capacity Range

Passenger Capacity Range	Nº. Ships	Capacity	% of Total Capacity
Less than 200	15	1,538	2.6
200 - 1000	47	31,478	53.2
1000 - 1400	14	16,458	27.8
1400 plus	6	9,717	16.4
	82	59,191	100.0

Source: Organization of American States (OAS)/CTRC

St. Kitts/Nevis should, however, take note of 15 ships which should be categorized as either mini-cruise ships or large yachts that currently account for 2.6% of the berths.

Except for the Windjammer Barefoot cruise boats (i.e. Bare-foot, Fantome, Flying Cloud, Mandalay and Yankee Trader) which were commissioned between 1927 and 1957, most of the other small ships were launched after 1982.

This reflects a trend that should further witness an increase in mini-cruise ships and large yachts within the region in the next 12 years. These ships provide budget to deluxe cruises. They offer passengers the advantage of a cruise plus direct access, because of size (less than 250 ft) and draught (8.5 ft frequently) to regional dive sites and major attractions, e.g., Tobago Cays, the Baths (BVI), Nelsons Dockyard and a variety of small islands, cays and anchorages.

Data from five (5) mini-cruise ships (not including the Windjammer boats) that operated in the BVI during August 1, 1986 to April 30, 1987 revealed average occupancy of 87% from 668 passenger berths, indicating a demand for the type of cruise that allows passengers to fully explore the variety of natural resource products of the destination. In turn, Caribbean destinations have the possibility to fully explore the potential that such ships offer to increase local passenger expenditure in shopping, dining and touring and to derive revenue from base-porting of such vessels, e.g., from provisioning, maintenance and ground transfer.

To some extent this is happening. Fourteen (14) of the cruise ships (mainly in the 200 - 1000 ft range) that operated the Caribbean in 1987 departed from San Juan, Puerto Rico with a total of 10,379 berths destined for the Eastern Caribbean on 7 or 14-day cruises. Eighteen (18) ships, including most in the less than 200 ft category, with a total passenger capacity of 5,234 were scheduled to depart from other Caribbean ports, including Antigua, Montego Bay, St. Martin, St. Lucia, St. Thomas, Grenada, Tortola and Martinique (OAS/CTRC).

The decision by Eastern and American Airlines to use Puerto Rico as a hub connecting major U.S. gateways and cities and as a shuttle terminal to other Caribbean destinations bodes well for the future base-porting of cruise ships in San Juan and other Caribbean ports. With 61% of cruises being of 6-8 days duration and 23% having a duration of 1-5 days, Caribbean destinations are best served by cruises originating in the Caribbean. This is particularly true for smaller destinations like St. Kitts/Nevis, which are unlikely to be ports of call for ships departing from Miami and other U.S. ports.

Cruise line requirements for base-porting are clearly outlined in a 1988 OAS/CTRC Caribbean Cruise Ship Study. To become more competitive as a port of call, St. Kitts/Nevis must improve terminal facilities, improve tour offerings partly through the development of natural and cultural heritage attractions, offer better shopping opportunities and continue to ensure safety for passengers.

The SEP will provide a major opportunity to improve tour offerings and provide recreational options, but a comprehensive approach is needed to develop the total St. Kitts/Nevis product of attractions, infrastructure and services. Attractions development and management will also serve other tourism sectors.

Investment in physical infrastructure, e.g., terminals, should be done with cognizance of market trends, style of cruise vacations and cruise line requirements to ensure where possible that the St. Kitts/Nevis destination attracts targeted market segments. One trend to watch is the cruise lines' involvement in hotel expansion or development to accommodate sail-and-stay vacations.

1.4.4 Air Travel

BWIA operates the following weekly direct flights from North America to St. Kitts/Nevis: Mondays from Toronto using its Lockheed L1011 with a 249-passenger capacity; Tuesdays from Miami with a DC9, 118 passengers; and Sundays and Thursdays from New York with a McDonnell Douglas MD-83 carrying 139 passengers. The total of 645 weekly seats from North America is shared with other BWIA southern Caribbean destinations.

The majority of U.S. passengers to St. Kitts/Nevis is likely to be routed through San Juan by American and Eastern. Using San Juan as a major Caribbean hub, Eastern combines with LIAT to offer two daily flights to St. Kitts/Nevis, with a 48-seat Dash 8 (one of which stops in St. Martin). American has two daily flights, using 49 and 19-seat aircraft. Thus, total weekly seats (again shared with other destinations) from San Juan under the American and Eastern hub and spoke arrangement is 1141.

North American passengers are also routed through by American, Eastern and BWIA through Antigua, St. Martin and the USVI using a LIAT spoke connection of about seven daily flights into St. Kitts and WINAIR with 2-3 flights daily from St. Martin only. European passengers on BA, BWIA and Lufthansa can connect out of Antigua and on BA and Lufthansa from San Juan.

Because of the multi-destination routings of regional flights, travellers to St. Kitts/Nevis need to book in advance to secure seats, particularly in peak season. Late decision travellers find it very difficult to book seats on the North American or European routes or on the regional connections.

Such problems will continue to afflict St. Kitts/Nevis and other countries until (a) Regional air travel authorities and the airlines improve cooperation in devising hub/spoke systems mutually beneficial to the countries and the airlines and (b) Some countries expand their tourist plant to the point where more direct international flights can be attracted. When its capacity reaches to 1500 - 2000 rooms, St. Kitts/Nevis will be able to compete for direct flights, assuming that investments would have been made to improve terminal facilities at the airport.

One noteworthy trend is that airlines are turning to smaller 757 and 767 (180 & 200 passengers) fuel-efficient airplanes which would prove more economical to operate to smaller destinations. Another important development is BWIA's decision to expand its fleet from 12 to 18 airplanes by 1992.

It is unclear at this point what direction international airfares will take in the next few years. Travel costs in the U.S. increased an average of 8% in 1988 as the larger air carriers through mergers and increased control of major hubs managed to eliminate the price wars that brought low airfares during the first 10 years of deregulation. Higher U.S. airfares could discourage West Coast and Midwest persons travelling to New York and Miami to make connections to the Caribbean. International airfares may be less affected.

2.0 POTENTIAL & STRATEGY FOR CRUISE SHIP PASSENGER VISIT TO SEP

2.1 Local Cruise Ship Experience

Cruise and yacht passenger statistics are jointly recorded for St. Kitts/Nevis. A total of 31,438 passengers was recorded for 1987, up from 10,860 in 1981 but down from 34,062 in 1984 and 31,522 in 1985 (Table 5). Yearly passenger arrivals tend to fluctuate among Caribbean destinations as a result of the constantly changing schedules of cruise lines, but total Caribbean arrivals have increased steadily since 1982 from 3.3 million to 5.6 million in 1987 (See Appendix 3).

TABLE 5 Cruise and Yacht Passenger Arrivals

St. Kitts/Nevis

Period 1987/85	1981	1982	1983	1984	1985	1986	1987	% Change 1986-1987
1st quarter	7812	3225	10482	10654	14909	12976	13085	0.8
2nd quarter	997	945	3615	6086	3783	2620	4284	63.5
3rd quarter	477	907	1060	6066	5509	2345	2098	-10.5
4th quarter	1574	6060	7678	11256	7321	9022	11971	32.7
Total	10860	11137	22835	34066	31522	26963	31438	16.6

Source: CTRC

Cruise ships calling at St. Kitts/Nevis in 1987 are shown in Table 6. All but three operated out of Caribbean ports and half did cruises in excess of seven days. St. Kitts/Nevis is not a major Caribbean port-of-call, having neither the shopping, cultural attractions nor convenient port facilities to compete with some of the more well-known destinations and is perhaps more vulnerable to cruise line rescheduling.

Three of the ships calling in 1987 are absent from the 1989 - 1990 cruise ship schedule according to Frommer's Dollarwise Cruises (Table 7). Fortunately, however, six ships not calling in 1987 are scheduled to call during 1989 - 90 (Table 7). One noteworthy feature of some ships calling to St. Kitts/Nevis is the large number of ports listed on their cruise itinerary, a situation that no doubt significantly reduces local passenger expenditure.

2.2 **SEP Potential**

The opening of the SEP should significantly improve St.Kitts/Nevis' image as a cruise ship destination. Its potential derives from (a) the unique landscape and vistas, which should make it an outstanding overland scenic taxi tour, (b) the possibility of incorporating natural and man-made resources and activities into straightforward as well as innovative tour packages, and (c) its possible use as an alternative cruise ship anchorage to Basseterre.

2.2.1 **Scenic Tours**

Immediately upon the opening of the SEP road, cruise ship tour operators and taxi drivers will promote and use the Peninsula for scenic overland tours originating at the Port. In time, the SEP tour should grow in popularity through the strategic development of scenic look-outs, interpretation facilities, sports and related services.

Recognizing the disruptive effects cruise ship passengers can have on quiet resorts, it is suggested that SEP tours be carefully planned with SEP property owners to avoid conflicts with SEP resident tourists.

TABLE 6 Cruise Ships Operating in St. Kitts, 1987

Cruise Line	Ship	Port of Departure	Length of Cruise (nights)	Length (m)	Draught (m)	Passenger Capacity	Price US\$	No. Other Stops
Royal Caribbean Cruise Lines	Sun Viking*	Miami	7 - 14	-	-	728	1225-3335	12
Exploration	Explorer Starship	San Juan or Barbados	7 & 14	-	-	200	1695-1190	16
Paquet	Memoz	San Juan	7 - 19	162.0	6.4	550	1820-3300	15 ¹
Sunline Cruises	Stella Oceanis	San Juan	7 - 14	105.1	4.6	280	2720-4330	17
Cunard Line (NAC)	Sagafjord	Florida/Other USA		188.9	8.3	509	2430-8690	16 ¹
Cunard Line (NAC)	Vistafjord	"		191.1	8.2	670	1490-7730	16 ¹
American Canadian 11 ¹	Caribbean Prince*	St. Martin/St. Lucia	7 & 12		-	-	80 775-2150	
Club Sea	Club Sea	Antigua	7	-	-	600	829-1389 ²	8 ¹
Ocean Cruise	Ocean Islander*	Barbados, Antigua and Other Caribbean islands	7	112	5.6	250	995-2195	9
Windjammer	Polynesia	St. Maarten	7	-	-	NA	625-750	5 ¹
	Yankee Trader	Antigua	7	-	-	84	675-750	4
	Barefoot Rouge ³	Freeport	19	-	-	16	1225	
	Fantome	Antigua	5	-	-	126	625-750	3
Exprinter Cruises	Berlin	Antigua & Other Caribbean	4-14	122.5	5	470	785-3305	19

Note: Prices do not include suites on Holiday Cruises

¹including Nevis

²plus \$25 membership

³supply ship sails through Caribbean

*Not Scheduled for St. Kitts 1989-1990

Source: OAS/CTRC

TABLE 7 Additional Cruise Ships Scheduled for St. Kitts 1989 - 1990

Cruise Line	Ship	Port of Departure	Length of Cruise	Length (ft)	Draught (ft)	Passenger Capacity	Price US\$	No. of Ports
American Canadian	New Shorebay II	St. Thomas	12	142	6.5	-	999-1735	18
Chandris Fantasy Cruises	The Azur	Barbados	7	-	-	678	650-1150	7
Clipper Cruise Lines	Nantucket Clipper	St. Thomas	7	207	8.5	100	800-2195	13
	Newport Clipper	"	7	207	8.5	100	"	13
	Yorktown Clipper	"	7	-	8.5	-	"	13
Norwegian Cruise Lines	Skyward ¹	Miami	8 & 10	-	-	-	1225-2145	15

¹year-round

Source: Frommer's Dollarwise Cruises; Ivor Jackson & Associates

2.2.2 SEP Cruise Ship Anchorage

White House/Ballast Bay at the SEP is likely to be viewed by small cruise ships as a preferred anchorage to Basseterre because it offers better protection, scenery and less noise. It has adequate depth and disembarkation could be facilitated by expanding or otherwise improving the existing private jetty to accommodate tenders. Docking facilities other than those in Basseterre could be encouraged. On the assumption that passengers have interests other than shopping, scenic overland tours could be arranged

2.3 Overall Strategy

While it is desirable to encourage visits to the SEP by cruise ship passengers, it should be recognized that a comprehensive long-term strategy is needed to make St. Kitts/Nevis a competitive cruise ship destination going into the 21st century. Integral to this strategy should be:

- (a) adequate, modern berthing and terminal facilities that are unencumbered by cargo traffic. Proposals to extend the existing Port Authority dock from 400 ft to 1400 ft will eliminate the critical shortage of berthing space but are unlikely to remove the nuisance and visual displeasure passengers experience when landed next to cargo. An alternative site for the construction of a modern cruise ship port should be investigated.
- (b) provisions to deploy other anchorages for the convenience of the shallow draught small cruise ships. Anchorages at the SEP and Nevis should be carefully selected and promoted to encourage such ships to extend their stay.
- (c) improved shopping by creating special complexes, such as will occur with the conversion of the old warehouse, and by further upgrading existing shops in Basseterre.

3.0 MARKET SEGMENTS

Whereas traditionally Caribbean hotel properties were generally considered either up-market or down-market, growing competition to maintain desired occupancy and improved market information have made it possible to divide the travel market into discrete segments. Facilities and services are thus provided by properties to take advantage of selected market segments. Coral reefs, rainforests and a variety of cultural attractions are being used to complement the traditional attractions of sun, sand and sea.

The SEP holds the potential to adapt the development and use of properties and natural resources to various market segments and/or interests such as:

- golfers and other sports enthusiasts
- scuba divers
- business and incentive groups
- groups seeking exclusiveness and seclusion
- sail boarders and other sailors.

Effective targeting of these and other groups will depend, to a large extent, on the type of facilities and services created to take advantage of the SEP's natural assets. It is suggested that:

- (a) some properties be designed to function, fully or partially, as dive or golf resorts to target a rapidly-growing scuba diving market and a smaller but significant golfing market.
- (b) up-to-date conference facilities and equipment be provided at some resorts to attract business or incentive groups, e.g., computers, fax, links to international data-banks, audio-visual equipment, etc.
- (c) a marina be constructed to attract yachtsmen and charter or watersports services be adequately provided for day sailors.
- (d) special stay/sail vacation packages be created for a growing market that wants to split vacation time between a resort and a yacht or mini-cruise ship cruise to a combination of any of the following islands: Nevis, St. Eustatius, Saba, St. Martin and Anguilla.
- (e) SEP wildlife, habitats and unique landscape features be highlighted to attract eco-tourists or special wildlife groups and to some extent cruise ship visitors through special day or part-day tour offerings.

4.0 NATURAL AMENITIES AND RESOURCES

This section of the report deals with natural amenities and resources that lend themselves readily or potentially to the development of the SEP. Natural amenities refer to natural resources or areas having special features that provide visual or recreational pleasure to users and implies in this case that some form of infrastructural development is required to promote recreational activities, e.g., trails, scenic look-outs.

A separate Terrestrial Resources Management Plan for the SEP has been prepared which clearly identifies critical environmental and specific ecological features of delineated "wildland management areas" such as: Friar's Bay, Salt Pond Hill, Great Salt Pond, St. Anthony's Peak, Mosquito Bay, Major's Bluff, Major's Bay Pond and Nag's Head Bluff. Natural resources or amenities development and use should respect the integrity of such areas.

Specific natural resources and amenities identified are shown in Table 8, along with the major issues and impacts that will require public and private sector decisions.

4.1 Major Decisions & Investments

4.1.1 Beaches

Twelve (12) sandy beaches on the SEP, having total linear measurement of 8.4 km (IRF), will provide alternatives to already accessible beaches in St. Kitts/Nevis; and will be valued for closeness (Friar's Bay) remoteness (Sand Bank Bay), relative seclusion (Canoe Bay), and access by sea (Cockleshell/Banana Bays and Whitehouse Bay).

TABLE 8 SEP Natural Resources & Amenities; Major Issues & Impacts

RESOURCE AMENITIES	ISSUES	IMPACTS
<u>RESOURCE</u>		
1. Beaches	Public access; Parking; Building setbacks; Sand mining	Beach erosion; Litter
2. Anchorage	Anchorage vs. Permanent mooring	Damage to productive grass beds
3. Coral Reef	Scuba diving vs. Fishing	Damage to coral and associated resources
4. Salt Pond	Dredging; Landfilling	Loss of habitat; Reduced sediment filtering
5. Sand Dune	Building; Sand mining	Erosion; Loss of storm protection
6. Forest	Vegetation clearing; Building	Habitat loss; Soil erosion
7. Wildlife	Disturbance of habitat	Loss of wildlife
<u>AMENITIES</u>		
Scenic Look-out	Land ownership; Concession	none
Hiking Trail	Access; Easement; Maintenance	Habitat damage
Riding Trail	Access; Easement; Maintenance	Habitat damage
Golf Course	Available land and tenure	Pesticide use?
Beach Facility	Public use	(see Beaches)

Uninhibited public access to beaches would be made difficult by (a) private ownership of all adjacent beach lands on the SEP and hence, (b) probable attempts by up-market and/or all inclusive resorts to manage beaches solely for the use of their own guests. Physical or environmental limitations to SEP beaches make public versus private or resort use of the beach all the more critical, i.e., a beach with quality sand deposits, such as Sand Bank Bay, is relatively short and its capacity is further reduced when winter swells narrow its width. Major's Bay and Ballast Bay beaches are built on narrow deposits between the high water mark and salt ponds; other beaches have poor quality deposits (e.g., pebbles at Whitehouse Bay) or are exposed to swells and seaweed year-round.

Major decisions must thus be made to ensure a desirable balance between public and resort use of SEP beaches, such as:

- (a) Adequate building setback to ensure that public access and use of beaches are not restricted and to minimize erosion. Peculiar characteristics of SEP beaches make a standard setback impractical, thus each beach must be assessed against its unique features and in light of the type of development planned, carrying capacity and anticipated demand for public use.
- (b) Public use of beaches must be accompanied by adequate infrastructure, e.g., parking, toilets and litter containers, and service facilities e.g., restaurant/bar.
- (c) Because of the investment required and the added costs involved in running and maintaining beach infrastructure and facilities, public acquisition of beach lands is not recommended unless in extenuating circumstances.
- (d) Rather, it is preferred that each resort is required to develop its beach area to allow for adequate public access and usage, with beach facilities and infrastructure for public use being an integral component of its development plan. Revenue from beach facilities, e.g., beach bar/ restaurant, watersports, should more than offset such investments.

4.1.2 Anchorages

Eventually anchorages at the SEP will be heavily used by an amalgamation of day charter boats, overnight yachts, ferries, mini-cruise ships, sea-taxi service boats, and dive boats. It is anticipated that:

- (a) Whitehouse Bay will become the most commercialized anchorage on the SEP, particularly if a commercial district develops in the area.
- (b) Adjacent Ballast Bay, with some protection offered by the Guana Point Reef will be the best choice for overnight anchoring by yachts, with or without the presence of a marina at Great or Little Salt Pond.

- (c) Major's Bay would become commercial if a passenger/car ferry landing is developed there.
- (d) Friar's Bay (South) and Banana/Cockleshell Bay will experience increased traffic derived primarily from resort property and recreational traffic.
- (e) Yachts and large diveboats will endeavour to anchor in the Shitten Bay - Bugg's Hole area and near the spine of the SEP to allow snorkeling and diving.

The principles of anchorage management will become widespread in the Caribbean in the next decade and should be applied pro-actively to the SEP for these reasons:

- (i) protection of seagrass, coral heads and other marine communities;
- (ii) optimize use of space in relatively small anchorages; and
- (iii) attract boat traffic.

Seagrass beds and coral assemblages in anchorages can be given significant protection by the use of permanent moorings, e.g., traditional heavy slabs, etc., sand crews, or the modern Halas anchor pins depending on substrate. Moorings have an added value as revenue earners. This works best where a mooring system is installed and maintained by a resort, marina or other private entrepreneurs, who also collect mooring fees that run up to US\$ 10/mooring per night in some Caribbean countries. Profitability depends on traffic, convenience in use and dependability of the collection system. Depending on the level of security, cost of local materials and depth, a traditional mooring could cost up to US\$700, an anchor pin mooring US\$150 and a sand crew amalgam much less, all installed for commercial use. Maintenance costs will also vary with depth.

Mooring systems should be considered eventually for all regularly used SEP anchorages. Government could lease the seabed to the private entity for a fee based on a suitable lease formula.

4.1.3 Coral Reefs

A major public sector responsibility will be to resolve and keep to a minimum conflicting resources uses, particularly between scuba divers and fishermen. As scuba activities increase it will be imperative to make some critical areas totally off limits to diving.

Highly sensitive scuba dive sites may need to be protected against anchoring by:

- (a) no anchoring designation of selected sites, or
- (b) use of permanent moorings, in both cases to minimize anchor damage. Government will need to consider fees to offset the cost of dive site management.

4.1.4 Salt Ponds

Major decisions to be made on salt ponds will derive from pressure to dredge for marinas or fill for other tourism uses. There is consensus on the need for an appropriately sized and well-protected marina in St. Kitts/Nevis. OTI's plans for a 25-berth marina near Fisherman's Wharf will not fill this need because of its size and relative exposure. The size and appropriate level of investment for a marina at the SEP can be determined by private sector studies. Government's responsibility is to ensure, through the use of EIA studies, that marina developments result in the least possible harm to critical marina resources. Because of its size and environmental value, dredging of the Great Salt pond will require an enormous investment in financial resources, and the best technical application of mitigation measures in dealing with the dredge spoil.

4.1.5 Other Resources

The value of other resources, e.g., sand dunes, wildlife, and forests, to tourism can be maintained by regulatory measures by responsible Government departments. Innovative measures that incorporate sand dunes as attractive elements of resort developments or promote wildlife species such as birds, monkeys and deer as special resort attractions fall within the domain of the private sector.

Particular attention should be paid to the potential attraction that birds of the SEP could offer nature tourists. Norton (1988)³ recorded 25 shorebird species and a total of approximately 2,300 birds at the SEP during two days of field investigation in September 1988. Bird-watching could become a significant tourism feature if adequate habitat protection is provided. Private ownership of key SEP habitats presents a major obstacle to effective habitat conservation. Two possibilities could be considered: (a) where practical, Government should acquire critical habitats or (b) secure conservation easements from land owners to ensure that critical habitats are maintained.

4.1.6 Scenic Look-outs

Scenic look-outs can be developed as a special feature of the SEP scenic drive for the benefit of tourist and residents. They can be of two types:

- (a) scenic stops, requiring no investment in facilities except a parking bay, and
- (b) scenic look-out facilities, featuring for example, a restaurant, adequate parking, coin-run stereoscopes, special exhibits or interpretation facilities.

³Norton, Robert. Resource Management Plans, Wildlife Resources. Tropical Research and Development, Inc. November 1988.

The first type would require the acquisition of areas required for scenic stops by Government and their subsequent development and maintenance by an appropriate Government agency. The second type would be developed by private entrepreneurs. Government's intervention may be necessary to ensure that the most desirable sites for scenic look-out facilities are developed accordingly.

4.1.7 Trails

A well thought out network of walking, horseback riding, jogging and bike riding trails would be regularly used by St. Kitts residents, resident SEP tourists, other stay-over visitors and cruise ship passengers. The trail network should be delineated in a SEP recreation plan and ought to be considered a significant component of long-term SEP land use.

Given the nature of the land tenure at the SEP, property owners must be involved at the earliest possible stages in (a) planning the trail network, (b) agreeing on its final design, (c) helping to decide who should bear the cost of trail development and maintenance and (d) granting the necessary easements that would ensure uninhibited public usage of trail facilities.

Horseback riding excursions are expected to originate from outside and within the SEP and will be provided either by independent operators, such as Trinity Stables & Safari Tours, or by resort properties. Walking, jogging and bike riding are expected to be largely unguided activities but could also be offered through special resort and local tour operator packages.

4.1.8 Golf Courses

Golf courses are often seen as risky investments because of the costs involved in their design, construction and operation, in contrast to fairly low, direct income potential. Finding an investor willing to take such risks may not be easy. If it is generally agreed that St. Kitts/Nevis can be promoted as a golfing destination, Government should consider granting incentives such as tax concessions to encourage golf course development at the SEP. Currently, most land parcels are not large enough upon which to build a golf course.

5.0 TYPE OF DEVELOPMENT

5.1 Up-market Properties

There is fairly widespread agreement that St. Kitts/Nevis should become more of an up-market destination. Presently it ranks about 18th among regional destinations whose weighted average room rates were assessed for winter 1987/88 and about 16th in 1988 summer rates. Weighted average room rates for St. Kitts/Nevis were US\$98.50 during the winter and US\$73.40 in the summer, while the rates for the nine highest ranked destinations were as shown in Table 9.

TABLE 9 Weighted Average Room Rates for Nine (9) Highest Destinations US\$

	Winter 1987/88		Summer 1988
1. Antigua & Barbuda	151.0	St John/St Thomas	129.5
2. St Martin (French)	147.9	St Martin (French)	110.3
3. St Barthelemy	144.8	Bermuda (Winter)	108.4
4. St Maarten (Dutch)	143.8	Anguilla	108.0
5. Bermuda (Summer)	142.7	Cayman Islands	102.0
6. St John/St Thomas	141.5	New Providence (Bah.)	101.0
7. Cayman Islands	140.4	Antigua & Barbuda	99.1
8. Anguilla	133.8	Puerto Rico	96.9
9. New Providence	131.3	Trinidad	92.1

Source: CTCRC.

The SEP offers the opportunity to develop up-market priced accommodation to make St. Kitts/Nevis a diverse and competitive destination with respect to accommodation and to help increase per capita tourist expenditure. This requires that (a) owners of or investors in prime undeveloped real estate be encouraged to develop up-market resort properties and (b) the general style of development at the SEP does not resemble Frigate Bay, which is evolving into a tourism village of middle-market and budget accommodations.

The planned build-out at Frigate Bay is expected to be about 2,000 rooms. This means that unless a significant percentage of rooms constructed at the SEP are up-market, St. Kitts could remain a predominantly middle-priced destination.

5.2 Up-market All-Inclusives

While another all-inclusive budget property is not considered desirable, well run all-inclusive up-market properties, e.g., Rock Resort properties in the U.S. and BVI, Jumby Bay and St. James Club in Antigua, provide the kind of image to a destination that attracts other market segments to the benefit of middle-market and budget facilities.

Since up-market properties usually require relative seclusion and the presence of a good beach, the SEP's potential for this type of development is essentially tied to Sand Bank Bay, Banana/Cockleshell and Mosquito Bay area, Major's Bay if it does not become a ferry terminal and possibly Canoe Bay. Friar's Bay is likely to be too accessible to attract a truly up-market resort.

The slopes and salt ponds of the southern SEP provide a unique landscape and vistas that could, in selected areas, attract investment in large up-market villas that can attract guests and prices somewhat similar, though not identical, to properties in a destination such as Mustique.

5.3 Recreation

The fairly large expanse of flat lands, along with the gentle slopes of the southern SEP offers the opportunity to design recreational facilities that promote relaxation as well as aerobic stimulation. One or two golf courses on the SEP, along with the Frigate Bay Golf Course, would give St. Kitts the chance to promote itself as a golfing destination. A network of hiking, horseback riding, biking and jogging trails could be Government's instigation and the collaboration of property owners.

5.4 White House Bay

The southern SEP should be considered for development as an up-market resort area. However, it is generally agreed that it should also accommodate a commercial marina. To avoid conflicts between the operation of a commercial marina and up-market resort properties, the marina should be constructed preferably in the smaller salt pond, and integrated into a well planned White House Bay commercial district, integral to which would be a passenger ferry terminal. This would (a) terminate routine and commercial traffic at White House Bay, thus minimising the impact on resort properties and (b) leave Major's Bay open for resort development.

6.0 LINKAGES WITH REST OF ST. KITTS/NEVIS

6.1 Inter-Island Travel

The SEP is a unique landscape, which is in itself a major attraction. The SEP road will become a scenic drive attracting taxi tours and private vehicle excursions from the rest of St. Kitts. Visits to the SEP by residents and visitors of Nevis will increase ferry traffic between both islands. A reciprocal need by St. Kitts residents and visitors to travel to Nevis will further increase the demand for ferry services.

Origination and destination points in the anticipated movement of scheduled ferries and unscheduled sea taxi services are shown on Figure 1. The movement of people by sea, inter-island and to a lesser extent intra-island, for recreation and shopping, will become a major feature of the St. Kitts/Nevis destination that should be promoted.

6.2 Activities & Tour Offerings

The scope of things to do during inter-island day excursions is presently wide and could grow with additional imaginative tour offerings and packages by the private sector. Rain-forest tours to the St. Kitts central mountain range are already popular and an historic walk, plus shopping in Basseterre could evolve into a valuable activity. The SEP should attract persons for scenic drives, scenic and wildlife hikes, or a day of golfing, while day excursions for island tours of Nevis or visits to specific natural or cultural attractions should increase.

The official St. Kitts and Nevis Tourist Guide⁴ provides a listing of places of interest to tourists, along with a description of their historic, cultured or natural significance. On St. Kitts there are: St. George's Church, Carib and other Amerindian remains at Wingfield Estate and West Farm, Sir Thomas Warner's Tomb, Brimstone Hill Fortress, Black Rocks, Mount Liamuiga, Dos d'Anse Pond, Primate Research Station, Bloody Point and Old Road. On Nevis there are: The New River Estate, New Castle Pottery, The Nelson Museum, Fig Tree Church, Alexander Hamilton's Birthplace in Charlestown, The Bath Hotel Hot Springs, The Craft House and the Public Market. Other attractions include St. Kitt's annual carnival between Christmas and New Year's, and Nevis' annual Culturama festival in the summer.

6.3 Car Ferry Between SEP and Nevis

A car ferry service between the SEP and Nevis is a novel idea requiring further study. The only scheduled ferry operating between the islands, MV Caribe Queen, provides fairly convenient service on Mondays, Wednesdays, Fridays and Saturdays, but offers a limited service on Tuesdays, when it is not possible to travel to Basseterre/Charlestown

⁴FT Caribbean. The Official St. Kitts and Nevis Tourist Guide 1989/

before 2pm (returning at 6 pm) and does not run on Thursdays and Sundays. At EC\$10/person one-way, the fare appears to be heavily subsidized by Government, while unscheduled private sea taxis are considerably more expensive, because of insufficient volume.

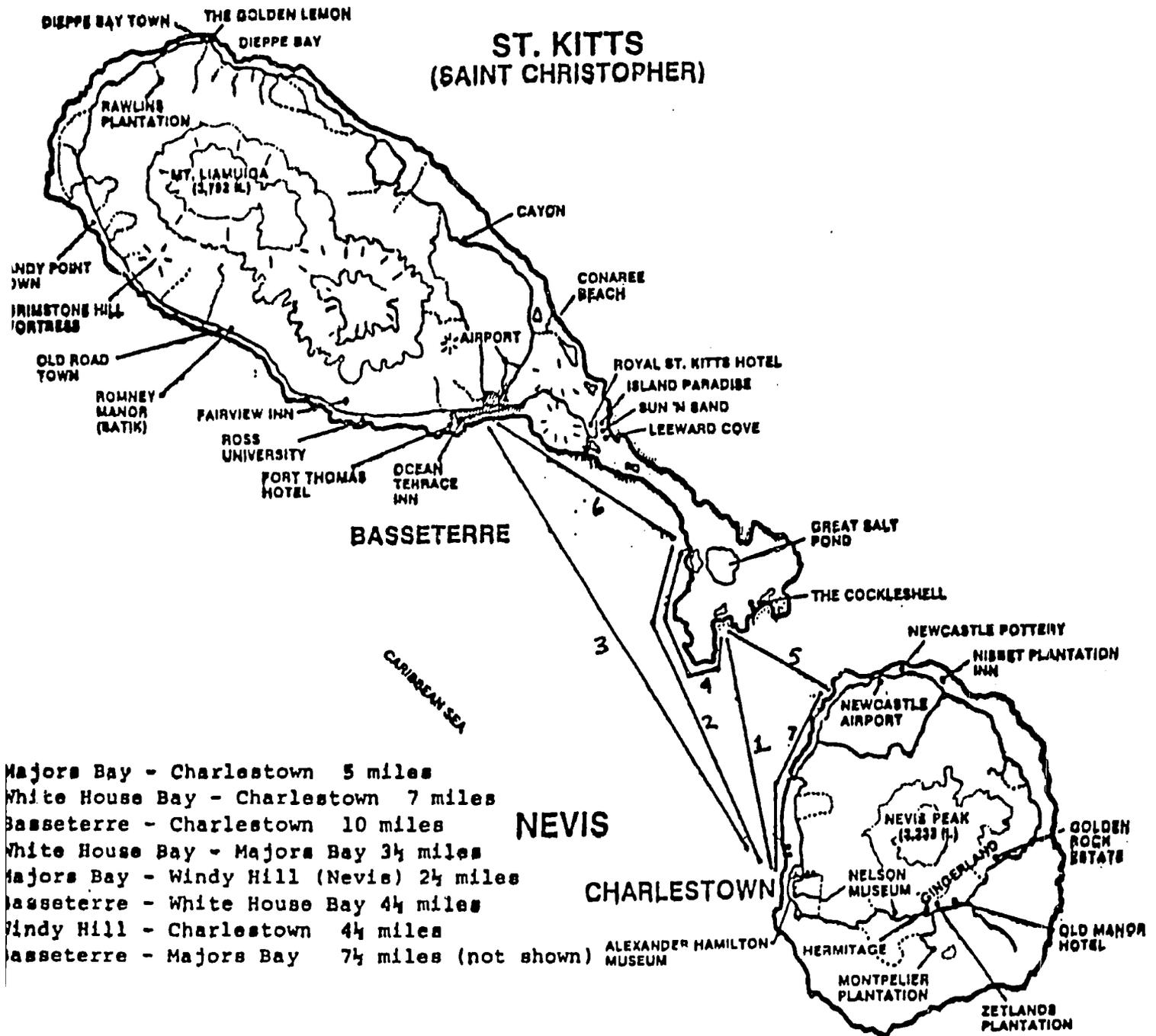
Future inter-island traffic will require daily schedules, improved frequency and flexibility, e.g., possible stops at SEP en route to Charlestown/Basseterre or visa-versa to drop off workers. The need for ferry services to partly service air passengers destined to Nevis, with on-time connections from St. Kitts, is likely to grow.

Because of the cost of operation, a car ferry would neither improve frequency nor flexibility and will likely require major subsidy. In the absence of a study, it cannot be determined reliably who will use a car ferry and for what purpose. It is assumed that the majority of residents enjoy the convenience of the downtown-to-downtown service of the current ferry whether they travel for work, shopping or pleasure. Most persons travelling on a regular basis do not own cars and thus would incur additional time and cost to travel overland, i.e., Basseterre/SEP, St. Kitts and the Nevis ferry terminal to Charlestown in Nevis if there is no alternative ferry service available.

A passenger ferry service with terminals located outside of Basseterre and Charlestown is likely to increase the overall cost of inter-island travel for non-car passengers as well as car passengers. It is doubtful that it will offer more travel convenience to the majority of travelling residents or tourists.

Given the level of investment required for the construction of car ferry terminals and the operational and maintenance costs of the service it is suggested that a pre-feasibility study be commissioned before such an investment is seriously considered. In addition to looking at demand, volume, scheduling and cost-benefits, the study should analyze the impact on local traffic by the ferried vehicles. The study could also make a comparative analysis of inter-island cargo transport requirements to determine if common RO/RO terminals could service passenger and cargo traffic. In this case suitable attention should be given to the location of the terminals.

Figure 1



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APPENDIX 1

STAYOVER TOURIST ARRIVALS IN THE CARIBBEAN

Thousands

	1981	1982	1983	1984	1985	1986	1987 (P)	% Change 1987/86	
BAHAMAS	1030.6	1101.1	1239.8	1278.5	1368.3	1375.2	1479.9	7.6	
BERMUDA	429.8	416.6	446.9	417.5	405.8	459.0	476.8	3.9	
OECS COUNTRIES	305.3	300.8	332.7	387.5	428.7	472.6	511.3	8.2	
Antigua and Barbuda	99.9	101.8	116.5	145.4	156.0	166.2	177.0*	6.5	
Dominica	15.9	19.0	19.6	22.2	21.5	24.4	26.7	9.3	
Grenada	25.1	23.2	32.5**	39.5	52.0	57.3	57.4	0.2	
Montserrat	15.6	15.0	14.3	15.9	16.5	15.6	17.0	9.2	
St. Kitts and Nevis	35.5	34.5	34.3	39.8	46.1	55.1	64.6	17.2	
St. Lucia	68.6	70.2	77.8	86.2	94.5	111.7	122.6	9.8	
St. Vincent and Grenada	44.7	37.1	37.7	38.5	42.1	42.1	46.0	9.3	
OTHER COMMONWEALTH	1302.7	1325.2	1465.4	1596.4	1595.2	1745.7	1974.6*	13.1	
Anguilla	6.2	6.7	7.8	10.8	33.3**	33.6	41.8	24.	5
Barbados	352.6	303.8	328.3	367.7	359.1	369.8	421.9	14.1	
Belize	64.2	67.3	64.2	88.4	93.4	93.8	99.3	5.9	
British Virgin Is.	109.6	113.7	118.9	121.5	129.9	145.7	170.0*	16.7	Cayman
Islands	124.6	121.2	130.8	148.5	145.1	166.1	209.0	25.	9
Guyana	40.0*	41.4	45.0	47.3	46.4	46.8	59.8	27.	7
Jamaica	406.4	467.8	566.2	603.4	571.7	663.6	738.8	11.3	Trinidad
and Tobago	186.8	190.0	190.0	187.1	191.3	201.7		5.5	
Turks and Caicos Is.	12.3	13.3	14.2	17.3	29.2	35.0	36.6	3.5	
DUTCH WEST INDIES	625.1	647.2	604.9	686.2	723.4	742.7	859.8*	15.8	
Aruba	221.3	220.2	195.2	210.2	206.7	181.2	231.7	27.8	
Bonaire	28.7	30.3	27.8	19.8**	24.0	27.1	30.4	12.3	
Curacao	176.3	174.4	110.6	130.0	126.0	128.2	134.8	5.1	
Saba	4.0	4.0	4.0	4.0	4.0	4.0	4.0*	-	
St. Eustatius (1)	4.4	4.9	4.0	4.6	4.6	6.0	6.4	7.2	
St. Maarten	190.4	213.4	263.3	317.6	356.5	396.2	451.5	14.0	
FRENCH WEST INDIES	289.8	431.2	435.5	410.9	409.9	429.6	526.5	n. a.	.
Guadeloupe (2)	132.8	255.0**	259.5	227.1	216.4	246.3	292.6	18.	8
Martinique	157.0	176.2	176.0	183.8	193.5	183.3	233.9**	n.a.	
U.S. TERRITORIES	1917.1	1903.7	1874.8	1865.9	1966.4	2042.4	2451.7*	20.0	Puerto
Rico (3)	1573.4	1563.7	1496.4	1544.9	1572.6	1871.7		19.0	
U.S. Virgin Is.(4)	343.7	340.0	345.0	369.5	411.5	469.8	580.0*	23.0	
OTHER COUNTRIES	765.7	805.9	849.0	946.1	1082.0	1207.3	1368.1*	13.	3
Cuba	121.0	139.3	162.3	206.6	240.5	281.9	310.0*	10.0	
Dominican Republic	451.2	480.0	502.4	562.3	660.2	785.0*	911.3*	18.	9
Haiti	139.2	135.0*	145.0*	141.4	149.7	111.7	121.8	9.	1
Suriname	54.3	51.6	39.3	35.8	31.6	28.7	27.0*	-6.0	
TOTAL	6666.1	6931.7	7249.0	7589.0	7975.4	8474.6	9650.7*	13.8	

(1) Excluding Antilleans (2) At hotels (*) Estimate
(3) Fiscal Year (July to June) (4) Air only (**) New series
(P) Preliminary

*Source: CTCRC.

APPENDIX 2

INTERNATIONAL TOURIST ARRIVALS IN THE WORLD AND
CARIBBEAN 1970-1987

	All Countries		Caribbean	
	Million	% Change	Million	% Change
1970	168		4.24	
1971	182	+8.3	4.62	+9.0
1972	198	+8.8	5.05	+9.3
1973	215	+8.6	5.41	+7.1
1974	209	-2.8	5.65	+4.4
1975	213	+1.9	5.48	-3.0
1976	218	+2.3	5.77	+5.3
1977	242	+11.0	6.22	+7.8
1978	260	+7.4	6.57	+5.6
1979	273	+5.0	6.79	+3.3
1980	284	+4.0	6.88	+1.3
1981	288	+1.4	6.67	-3.1
1982	287	-0.1	6.93	+3.9
1983	294	+2.2	7.25	+4.6
1984	312	+6.1	7.59	+4.7
1985	333	+6.7	7.98	+5.1
1986	337(R)	+1.2	8.48(R)	+6.3
1987	335(P)	+5.3	9.65(P)	+13.8
Increases				
1977 - 1987		+46.7		+55.1
1980 - 1987		+25.0		+40.3

(R) = Revised estimate

(P) = Preliminary estimate.

Source: World Tourism Organization and CTCRC.

Note: The figures for the Caribbean from 1980 are revised estimates based on a new series and more complete information.

APPENDIX 3

CRUISE PASSENGER ARRIVALS

Thousands

	1981	1982	1983	1984	1985	1986	1987
Antigua and Barbuda	113.2	66.8	52.0	66.8	100.8	122.4	153.3
Aruba	55.0	51.1	39.1	30.2	72.2	73.3	80.6
Bahamas (1)	596.9	719.6	854.1	907.8	1136.5	1495.6	1434.2
Barbados	135.8	110.8	102.5	99.2	112.2	145.3	228.8
Bermuda (2)	104.7	124.2	120.8	111.4	142.8	132.2	153.4
Bonaire	12.0	6.8	0.3	2.9	2.7	2.5	3.4
British Virgin Is.	33.4	28.3	13.9	24.8	22.1	15.7	n.a.
Cayman Islands	78.0	158.3	177.2	203.6	258.7	270.9	271.7
Curacao	128.4	110.0	107.1	122.5	108.8	125.9	107.0
Dominica	5.5	2.4	6.1	3.2	6.6	11.5	12.1
Dom. Republic (3)	162.6	141.6	98.9	96.0	92.8	n.a.	166.7
Grenada	77.6	62.1	50.2	34.2	90.7	113.9	127.2
Guadeloupe (4)	25.2	32.0	34.4	64.5	n.a.	64.1	68.7
Haiti	117.8	n.a.	n.a.	n.a.	n.a.	40.0	n.a.
Jamaica	139.7	194.4	231.0	231.0	261.5	277.8	291.9
Martinique	202.5	168.0	158.6	135.5	153.0	214.2	296.7
Montserrat (3)	5.1	9.1	3.6	4.3	7.4	9.3	10.1
Puerto Rico (5)	531.2	444.1	411.2	436.0	419.3	449.0	584.4
St. Kitts and Nevis	10.9	11.1	22.8	34.1	31.5	27.0	31.4
St. Lucia	18.9	33.8	33.3	37.2	55.0	58.8	83.8
St. Maarten	106.4	92.9	73.0	n.a.	n.a.	313.9	389.1
St. Vincent and Gren.	33.4	28.9	34.4	64.0	34.0	38.1	65.7
Trinidad and Tobago	n.a.	6.0	2.9	4.6	9.6	19.1	15.5
U.S. Virgin Is.(1)	695.2	586.2	632.8	657.5	678.9	827.2	955.9
TOTAL (6)	3410	3319	3360	3570	4150	5000	5600

(1) At first port of entry only

(2) Excludes sea/air arrivals

(3) All sea arrivals

(4) Port of Guadeloupe only (excludes arrivals at St. Barthelemy)

(5) Fiscal year (July to June)

(6) Includes estimates for missing data

Source: CTCRC.

APPENDIX 4

TOURIST ARRIVALS IN THE CARIBBEAN BY ORIGIN

Thousands

	1980	1981	1982	1983	1984	1985	1986	1987
					(1)	(1)	(1)	(2)
U.S.A.	4038	3901	4085	4522	4710	4975	5288	5972
Canada	505	458	440	429	467	563	572	609
Europe	823	759	746	712	674	695	773	1004
Caribbean (3)	560	635	655	670	710	705	695	730
Other (4)	438	417	419	339	450	427	473	576
Unspecified (5)	509	496	587	577	578	610	674	760
Total	6873	6666	6932	7249	7589	7975	8475	9651
					Percentages			
U.S.A.	58.8	58.5	58.9	62.4	62.0	62.4	62.4	61.8
Canada	7.3	6.9	6.3	5.9	6.2	7.1	6.8	6.3
Europe	12.0	11.4	10.8	9.8	8.9	8.7	9.1	10.4
Caribbean	8.1	9.5	9.4	9.2	9.4	8.8	8.2	7.6
Other	6.4	6.3	6.1	4.7	5.9	5.4	5.6	6.0
Unspecified	7.4	7.4	8.5	8.0	7.6	7.6	7.9	7.9
Total	100							

(1) Revised estimates

(2) Preliminary estimates

(3) Definition of 'Caribbean' varies from country to country

(4) Mainly central and South America

(5) Includes all arrivals of unspecified country of origin

APPENDIX 5

ST. KITTS AND NEVIS VISITOR ARRIVALS BY COUNTRY OF ORIGIN (1,2)

Country of origin	1981 (3)	1982 (3)	1983 (3)	1984 (3)	1985 (4)	1986 (4)	1987 (4)	% of 87 Total
U.S.A.	12345	10824	9858	14566	15787	19578	27739	41.8
Canada	2050	2446	2056	2487	7737	10752	10595	15.9
United Kingdom	2559	2697	2838	3076	3396	3549	4186	6.3
Other Europe	608	473	453	437	485	820	949	1.4
OECS	3390	3388	3518	4097	4038	4472	5096	7.7
Other CARICOM	1964	2265	2231	2107	2446	2173	2400	3.6
U.S. Virgin Is.	(5)	(5)	(5)	(5)	5078	4715	5523	8.3
Neth. Antilles	(5)	(5)	(5)	(5)	3045	3722	3595	5.4
Rest of World	12346	12405	13216	13034	5535	7024	6367	9.6
TOTAL	35352	34498	34170	39804	47547	56805	66450	100.0

(1) By country of residence.

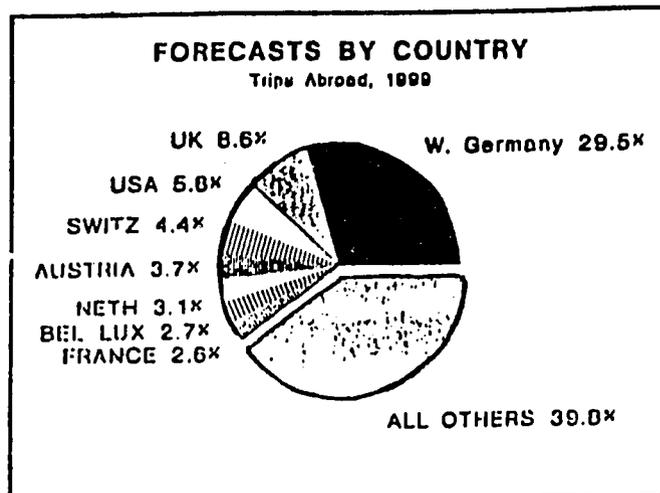
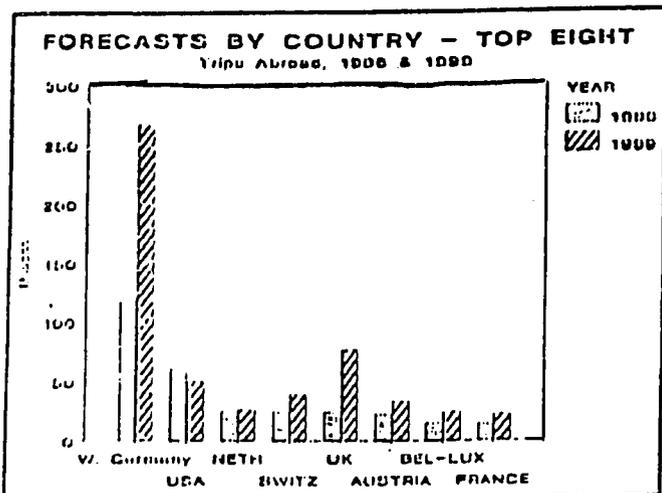
(2) Includes excursionists.

(3) Air arrivals only.

(4) Arrivals by air and sea, including excursionists.

(5) Included in 'Rest of World'

Source: CTRC.



Source: Travel & Leisure's World Travel Overview based on table below

International Tourism Forecasts to 1999

	Trips (millions)				Nights Abroad (millions)				Expenditures (\$US billions) ¹			
	1986	1991	1995	1999	1986	1991	1995	1999	1986	1991	1995	1999
West Germany	120.1	187.9	229.8	268.3	551	782	900	1,018	16.6	23.1	26.1	28.9
United States	61.6	54.2	51.5	51.2	273	233	216	234	17.3	15.2	14.4	15.8
Netherlands	26.2	27.4	28.6	27.8	100	108	116	116	3.6	3.9	4.2	4.3
Switzerland	25.6	35.2	39.5	40.3	89	128	148	155	2.8	4.3	5.2	5.6
United Kingdom	25.2	47.3	60.3	77.9	312	577	698	863	7.3	13.9	17.1	21.6
Austria	23.0	29.5	31.5	33.9	72	89	90	91	2.6	3.3	3.4	3.5
Belgium-Luxembourg	15.9	19.8	21.5	24.8	66	80	87	98	2.4	2.9	3.2	3.7
France	14.7	17.2	20.0	23.2	192	215	241	271	4.9	5.8	6.8	8.0
Canada	13.0	16.7	18.5	21.3	131	161	172	194	4.1	5.4	6.1	7.3
Italy	9.4	14.3	17.3	19.4	78	118	142	160	2.5	3.8	4.6	5.2
Spain	7.5	12.0	17.3	21.1	50	74	101	116	1.3	2.0	2.8	3.3
Denmark	7.3	9.2	12.1	14.9	48	59	77	96	1.8	2.2	3.0	3.8
Japan	7.1	11.4	15.0	19.6	62	107	149	206	6.8	10.2	12.5	15.5
Sweden	5.4	9.7	15.6	22.9	45	83	136	210	2.4	4.2	6.8	10.3
Norway	4.8	5.5	7.8	11.8	39	45	64	96	2.1	2.4	3.5	5.4
Malaysia	4.7	3.7	6.5	9.2	31	25	43	61	1.0	0.9	1.7	2.6
Mexico	3.8	3.5	7.5	9.5	22	19	37	44	2.0	1.8	3.7	4.5
Saudi Arabia	2.3	1.3	1.2	2.1	24	14	13	21	2.5	1.4	1.2	1.9
Kuwait	1.5	0.9	1.0	1.1	19	12	14	16	1.4	0.9	0.9	1.0
Australia	1.4	1.3	1.4	1.5	42	44	50	58	1.7	1.7	1.8	2.0
Total—20 Main Countries	380.8	508.0	603.9	702.2	2,247	2,975	3,496	4,125	87.1	109.3	129.0	154.2
WORLD TOTAL	497.8	655.3	779.5	909.7	2,808	3,720	4,414	5,251	108.9	136.7	162.9	196.2

¹ Excluding fares, at constant realtive prices, expressed in 1985 dollars and exchange rates.

Source: "International Tourism Forecasts to 1999" by Anthony Edwards, The Economist Intelligence Unit, July 1988, and Travel & Leisure's World Travel Overview