

# RE-LAUNCH OF THE TOBAGO TOURISM DEVELOPMENT FUND PROGRAMME

## FACILITY 1



Hosted at Magdalena Grand Beach and Golf Resort, Tobago

Address by Hon. Colm Imbert, Minister of  
Finance  
December 6 2017

**Trinidad and Tabago Tourism Business Development Limited - Relaunch of  
Tobago Tourism Development Fund Programme: Facility 1**

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Thank you Mr. Chairman.

- Hon. Shamfa Cudjoe: Minister of Tourism
- Assemblyman Kelvin Charles: Chief Secretary and Secretary of  
Education Innovation and Energy,  
Tobago House of Assembly
- Assemblyman Joel Jack: Deputy Chief Secretary and Secretary  
of Finance and the Economy, Tobago  
House of Assembly
- Councillor Nadine Stewart-Phillips Secretary of Tourism, Culture and  
Transportation, Tobago House of  
Assembly
- Mr. Jerry Hospedales Chairman, Trinidad and Tobago  
Business Development Limited
- Other specially invited guests
- Members of the media
- Ladies and gentlemen

It is always a pleasure for me to visit Tobago, to appreciate and enjoy its rich natural environment and cultural heritage, some of the corner stones of a tourism destination which has great potential. It is also a privilege to address this group – high-level policy makers from the Tobago House of Assembly, the financial institutions, the captains of industry and very importantly, those hotel and hotel-related businesses which have taken advantage of the benefits provided by the Tobago Tourism Development Fund and its guarantee facility.

We all have a common agenda, but any agenda must be drawn up with a purpose: it is a plan of action aimed at a particular objective; so I should begin by being clear about what are our objectives. At the core of this agenda is the rekindling of the tourism industry in Tobago which is of great concern not only to the people of Tobago; but also to the Tobago House of Assembly and the Government of Trinidad and Tobago. Public policy is now focusing on reversing the more than 6 year decline in the contribution of the Tourism sector to our Gross Domestic Product which started in 2012 with falling visitor arrivals. The perspective is to assign to the tourism sector a major responsibility for advancing the diversification and growth of our economy.

We have taken great strides in strengthening the tourism sector. We are shaping our tourism product to encourage and open up new investment, trade and business opportunities. As an initial step, we undertook an in depth analysis of the sector with a view to realizing the full potential of the enormous value of this country as a tourism destination. We are overhauling the governance arrangements of the tourism sector to fully exploit its potential. We have closed the Tourism Development Company (TDC) with the 111 employees receiving appropriate separation packages in October 2017. We have established two new companies: one with oversight for Trinidad and one with oversight for Tobago, bearing in mind that the two destinations have separate characteristics and attributes.

The Tourism Trinidad Destination Management Company Limited otherwise Tourism Trinidad is marketing the Trinidad Tourism product as the meetings, conferences and exhibitions location. The Tobago Tourism Agency otherwise Tourism Tobago is marketing and developing the Tobago Tourism product as a leisure based location.

We are also establishing for the first time a Regulatory Authority, The Trinidad and Tobago Tourism Regulatory and Licensing Authority which would ensure that our tourism offerings – both in Trinidad and in Tobago meet international best standards and quality. As we advance our tourism product, we wish to do so in new and exciting ways. In all segments of the industry quality and standards must be at the core of the operations.

In our analytical review, we did detect that the weaknesses in the tourism sector in Tobago brought about by declining visitor arrivals continued to weigh heavily on the capacity of hotel and hotel-related businesses to service in a timely manner the loan facilities at the respective commercial institutions. I wish to take this opportunity to commend those businesses which have been meeting their repayments under the banking facilities with guarantees provided by the Tobago Tourism Development Fund.

It was for this reason that the Government announced on October 2, 2017 in the FY 2018 Budget, that it would provide further incentives to stimulate and re-energize the tourism sector by encouraging greater and better usage by clients in Tobago, in particular, of the loan guarantee programme administered by the Trinidad and Tobago Business Development Limited. We agreed that effective December 1 2017, a subsidy of 5% would be provided by Government on the interest charged by financial institutions for new and re-structured loans.

I wish also to commend the commercial banks for their prompt agreement to extend the maturity periods for new loans and for re-financing the tourism sector from 7 years to 15 years under the programme. We are reasonably assured that these two benefits – reduced interest cost and extended maturities – would reduce the cash flows required for servicing new loans or impaired loans which are required to be restructured; but I also wish to advise those businesses which are considering usage to ensure that their proposals and business plans are informed by sound assumptions relating to their businesses. The need for aggressive marketing on their behalf cannot be over-emphasized.

We also improved certain fiscal incentives, effective December 1 2017, granted to hotel and hotel-related businesses in order to create the conditions for viable and sustainable operations. The reimbursement of expenditure on the cost of work per room under the Trinidad and Tobago Hotel and Guest Room Stock Upgrade Programme from 25.0% to 50.0% and an increase in the maximum reimbursement limit from \$750,000 to \$1.5 million. The reimbursement of the expenditure on the cost of work per room under the Small Approved Tourism Properties Programme has been increased from 20.0% to 40.0% and an increase in the maximum reimbursement limit from \$75,000 to \$150,000.

We look forward to an enhanced interest in the use of the Tobago Tourism Development Fund and we undertake to resource that Facility as appropriate and as circumstances permit, to ensure its effectiveness in contributing to the reversal of the decline in the Tourism sector in Tobago. We are very much aware that the Tourism sector is now being accorded a critical and catalytic role in driving diversification and economic growth. We realize that this sector would generate what I call *high-quality growth* – growth which is sustainable, which brings lasting high employment and which promotes greater equality of income through greater equality of opportunity.

This tourism thrust is being supported with our commitment to a fully-functioning and operationally efficient sea-bridge and an equally reliable and dependable air-bridge. It is for this reason that we are also extending effective December 1 2017 access to the Tobago Tourism Development Fund for those hotel and hotel-related businesses in Trinidad who might wish new loans or restructured loans for values of the equivalent of 50 rooms.

Thank you.