



KARGA DI TUR KUNUKU TA YENA PUNDA

The Strategic Tourism Destination Development Plan 2022–2026

STDDP: 2022-2026

Commissioned by
Curaçao Tourist Board

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The Strategic Tourism Destination Development Plan 2022–2026 provides a framework and ethos for the effective and efficient allocation of resources towards the development of Curaçao's tourism industry. The title, which is a local proverb, underscores the plan's overarching themes: partnership and implementation. The plan also highlights the importance of competitive, innovative and integrated approaches to building a resilient and sustainable industry.



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INTRODUCTION

The COVID-19 pandemic caused significant contraction in Curaçao's economy, particularly in the hospitality and tourism sector. The island has been forced to devise an elaborate plan for sustainable recovery, which will draw on the creativity and resilience of its inhabitants. As a result of the pressing challenges, it is imperative that Curaçao implements innovative and competitive programs in the industry.

With this in mind, it is crucial that the actions of stakeholders are guided by overarching objectives and principles that promote equitable and efficient allocation of resources, and prioritize visitors' experience. This comprehensive Strategic Tourism Destination Development Plan will play a key role in the realization of this goal.

As a result of COVID-19, many destinations were pressured into reassessing what consumer loyalty means, and took concrete steps to personalize customers' experiences in order to meet changing expectations.

Travel restrictions and low consumer confidence are the main barriers to the recovery of international tourism industries.

At the time of writing (second quarter of 2021), the pandemic continues to inhibit global economic activity, with harsher lockdowns measures being implemented in many countries.

Curaçao was relatively successful in controlling the spread of the COVID-19 virus in the first year of the pandemic. Collaborative efforts between the government and local communities have kept the majority of the populace safe and virus-free.

Throughout this time, CTB used the no-travel period to inspire travelers with online campaigns that captured their ever-changing sentiments.

In order to restructure the hospitality and tourism industry so that it meets the needs of local communities and COVID-era travelers, there are several key issues that CTB and stakeholders need to consider:

Rebuilding Trust

The industry needs to work towards regaining the trust of members of the local community by canvassing their views on critical issues and implementing feasible recommendations in the recovery period (2022 and 2023). Understandably, many people are skeptical and unsure of the way forward.

In order to gain a competitive edge, we need to **strengthen collaborative efforts** between direct and indirect industry partners, as well as private and public sector organizations working within the industry. Such collaborations will enable us to act more swiftly in our post-pandemic recovery efforts.

Nowcasting

CTB needs to further advance its data driven approach so that it will be able to make informed decisions. Conducting credible research of trends in source markets will help CTB expand its market intelligence and implement the programs that are needed to move the industry forward.

COVID-era Traveler

It is crucial that we understand travelers' new expectations regarding the implementation of health and safety procedures across the industry. The industry needs to be vigilant and proactive in its engagement with travelers' demands.

Prioritize Hospitality

The industry needs to remain customer-centric while we adhere to new protocols, safety guidelines and other measures.

The Destination's Digital Transformation

CTB should play a greater role in pushing the industry towards digital transformation and innovation.

Financing

The industry needs to invest in new and innovative financing instruments, as it may take some time for tourism demand to return to pre-COVID-19 levels.

Tourism and the Local Community

Current trends point to a more conscious traveler who is motivated to spend his/her money in a manner that benefits the community. The community is also becoming more demanding with regards to the impact of tourism. Hence the importance of pursuing a more engaged local community and adopting experiential and transformative approaches.

Gen Z Working for Gen Z

The industry should engage more scholars in our efforts to devise innovative solutions for challenges in the tourism industry. Innovation will help us to accelerate progress towards sustainability, equity and inclusivity.

SDG 2030

Subsume the tourism industry's long-term goals under the 2030 Agenda for Sustainable Development Goals (SDGs).



EXECUTIVE SUMMARY

Section 1 sets the background for the development and execution of the STDDP, the premises upon which it is based, and the challenges it may face in its implementation. One of these challenges is an ongoing pandemic. There is also a need to negotiate the scope and intensity of global and regional competition. The post pandemic challenges are daunting and will require the island to make strategic choices and changes that will enhance the industry's ability to deliver the sustainable socio-economic benefits for the island's population. This will require a change in mindset that reduces resistance to fundamental change and allows for radical transformation from tourism management to tourism leadership.

Section 2 covers eight Strategic Development Areas that, when managed in an integral and holistic manner, will take the industry forward in the next five years. The most significant challenge for destination marketing and airlift development will be funding. Digital marketing is regarded as cost efficient as well as highly effective. Still, there can be no debate regarding the need for a significant increase in marketing funds. The slated opening of several new brand hotels will not only emphasize this but is expected to significantly aid the island in these efforts as well. Their presence on the island is expected to boost the destination brand. A locally shared understanding of and belief in the value proposition, competitive advantage, and the overall positioning of the island is as important as acquiring the funds to convince the prospective visitor of these.

Business intelligence that permits us to effectively explore and understand the global environment with its changing trends, threats and opportunities, will be a key ingredient in gaining and solidifying our position vis-à-vis our competitors. Actionable research will increase the effectiveness and efficiency of target marketing to prospective visitors.

The proposed product/experience development and management will require that the Destination Management and Marketing Organization (DMMO) and other tourism partners are fully in tune with changing visitor wants. Destination Management Areas (DMA), first proposed in the 2004-2009 Halcrow Tourism Master Plan, offer a unique opportunity to develop and cultivate a managed product/experience portfolio that can offer a range of memorable experiences within mixed use (visitors and locals) recreational and tourism areas.

The development of these areas, together with a renewed commitment to improving the safety, security and mobility aspects of the visitor experience, will do much to enhance product competitiveness. Grassroots involvement of local communities, businesses and entrepreneurs is vital in providing the foundational support needed for DMAs' sustainability and thus must be an integral part of the development and planning process.

A phased approach will facilitate the planning and resourcing of the Destination Management Areas. However, long-term commitment and strategic partnerships, buy-in from government agencies, community engagement, stimulation of entrepreneurship and innovation, and strong CTB guidance and leadership will be vital for these designated tourism areas to become a viable reality.

Moving forward, the management of Curaçao's cruise tourism will demand improved target marketing to extract maximum value from tourists who visit the island. Cruise marketing is an integral part of overall tourism marketing. Increasing visitor spend is contingent upon enhancing the on-island experience, including the shopping experience which is important to the cruise visitor looking for 'bargains' on branded items, local art and handicraft. Taking the cruise industry to its next phase, which includes homeporting, will also require the pursuit of easy and frequent air access, making an even stronger case for a long-term strategic approach to airlift development. Additionally, product development, strategic partnerships and targeted marketing should be utilized to drive growth in the potentially lucrative yacht tourism market segment.

As Curaçao plans and prepares for tourism recovery and growth in the coming five years, human resource capital development and management will continue to play a central role. The proposed five-year HRD program is designed to take the island to a new and higher service standard. This will require individual skills programs and certification schemes to be replaced by learning, training and education designed to enhance destination quality standards and capabilities. A cooperative mindset and a new governance structure are needed to break through the cycle of well-intentioned programs that produce negligible results.

A critical step in the island's ability to optimize the existing product/service is the definition of the destination's DNA. This must facilitate continuous development of service standards, ensure a competitive advantage, and advance Curaçao's human capital development for the industry. The Curaçao DNA will define the island's identity and ambitions and serve as a benchmark for executing and measuring human capital development strategy.

Sustainable tourism development without community buy-in is impossible. Beyond awareness, the objective must be to move the local community to support and champion the island's tourism. This can be achieved when they are granted a voice with regard to its development and offered every available opportunity to reap its benefits. The proposed DMA structure can be used to foster this level of engagement.

Effective leadership and sustainable financing are indispensable for the execution of the plan. A new DMMO structure is proposed for the CTB which would allow for the flexibility and greater independence needed to act quickly and decisively in a fast-changing and extremely challenging environment. Additionally, new and diversified revenue streams need to be accessed to guarantee that the organization has the necessary financial resources that would allow it to do so.

Section 3 deals with the implementation and monitoring of the proposed actions in the STDDP. The action program is purposely designed to not overstretch already limited available resources, certainly in the initial two-year recovery phase. The need for an implementation structure, but more so the need to assign responsibility and accountability for the execution of the plan, is acknowledged and was also greatly emphasized during the STDDP consultative sessions.

Part I

Strategic Framework



1.2 PLAN OBJECTIVES AND METHODOLOGY

The Strategic Tourism Destination Development Plan (STDDP) establishes a framework that will be used to inform decisions regarding the development of Curaçao's tourism industry. It provides clear objectives, strategies and actions for the sustainable development of the island's tourism.

1.2.1 Plan Objectives

The overarching objective of the Strategic Tourism Destination Development Plan (STDDP) is to outline broad strategies for the development of Curaçao's tourism product for 2022 to 2026.

The Strategic objectives of the plan are:



These objectives are based on the following principles:

Sustainability The tourism sector should be able to provide long-term socio-economic, cultural and environmental advantages to the local community, without compromising the health of citizens and the natural environment.

Inclusiveness Local and global stakeholders' needs, experiences and responsibilities should be considered and reflected in programs and policies.

Pragmatism and realism Proposals for growth should be ambitious but achievable to increase the likelihood of projects being successfully implemented.

Integration When designing and implementing key projects, all aspects of the tourism sector must be taken into consideration, with an understanding of the strong and far-reaching linkages that exist in the local economy and society.



Factual Recommendations from research and consultations must be factual and verifiable.

Continuity Future development of the sector should build on the existing values and ensure steady and consistent growth with minimal volatility.

1.2.2 Methodology

An assessment of the realization of the recommendations presented in three previous Tourism Master Plans was undertaken. The three plans were produced by Deloitte for 2005 to 2009, Halcrow/CHL for 2010 to 2014 and the University of Central Florida¹ for 2015 to 2020.

Additionally, global, regional and local trends in tourism and travel in the post-COVID-19 era were taken into consideration.

From May 21 to 28, 2021, the consultants conducted a series of consultative sessions with relevant stakeholders, with the view of incorporating their suggestions into this document.² The stakeholders completed a questionnaire³ with respect to their contribution to the sustainable development of the tourism sector. They highlighted the issues and areas perceived as priorities and the roles of their organization in resolving these issues.

¹ The Dick Pope Sr. Institute for Tourism Studies (DPITS) at the Rosen College of Hospitality Management

² See Appendix C

³ See Appendix D



1.3 ECONOMIC PERSPECTIVE

1.3.1 Introduction

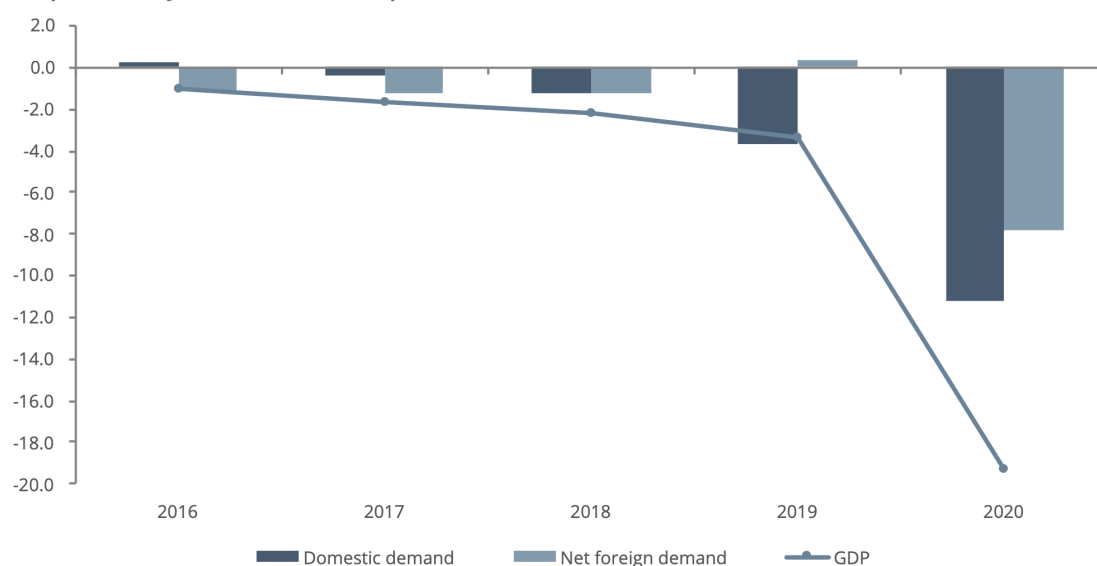
Over the past five years, Curaçao has experienced a protracted economic recession⁴ which has led to an increase in its unemployment rate. Spurred by the COVID-19 health crisis, the unemployment rate stood at 19.1 percent, with youth unemployment reaching a staggering 42.2 percent in 2020.⁵

As regards the tourism industry, in 2020 Curaçao received 175,000 stayover visitors, which was significantly less than the 465,000 who came in 2019. As a result, the sector's contribution to the GDP fell drastically from close to 2.2 billion to just 1 billion over the same period.⁶

Sustainable economic growth has long eluded the island. Between 2010 and 2019, the economy shrank by 10 percent, mainly due to imported “shocks” from neighboring Venezuela, evident in the volatility in the supply of crude oil for the refinery. The spill-over effect from the economic upheaval in Venezuela also led to a significant reduction in the number of visitors to the island. Additionally, the international financial services shrank as tourism grew and became the main pillar of the economy.

Graph 1: GDP growth rates: 2016–2020

Graph 1 Curaçao - Real GDP composition^a



Source: Centrale Bank van Curaçao en Sint Maarten.

^aReal percentage changes.

Source: Central Bank of Curaçao and St. Maarten

- 4 Central Bank Curaçao and St. Maarten, Annual Report 2020. Retrieved from <https://www.centralbank.cw/publications/annual-reports-quarterly-bulletins/2020>
- 5 Central Bureau of Statistics, Key Indicators of Curaçao. Retrieved from: <https://www.cbs.cw/key-indicators-of-curaçao>
- 6 Akuerdo di Gobernashon, 2021-2025, Chapter 4.1: Ministerio di Desaroyo Ekonómiko,

Curaçao's economy has always been more diversified than other more tourism-dependent countries in the region. However, if measured by share in total foreign exchange earnings, sectors such as refining and international financial services have become less important in recent years compared to the tourism sector.

1.3.2 Tourism and Added Value

Today, the tourism sector is the main contributor to the foreign exchange earnings of Curaçao. The sector contributes approximately 41 percent to revenues from the export of goods and services. This figure stood at 14% in the year 2000. However, it should be noted that tourism has a high import content. Hence, the net contribution of the tourism sector is lower than 41 percent.⁷ The narrow economic base and the net contribution of tourism to the economy need to be addressed in the short-term.

In its 2020 annual report, the Central Bank of Curaçao and St. Maarten emphasized both the importance of the tourism industry and the need to employ new business models with a higher value added.

Private and public sector organizations that are responsible for the sustainable development of Curaçao's tourism need to implement policies and programs that limit economic leakage and foster backward and forward economic linkages. Henceforth, all tourism policies must strongly emphasize and outline ways of enhancing economic benefits and minimizing harm across the sector.

Going forward we can look to our Caribbean neighbors for workable solutions. The Jamaican government, for instance, has established a special body called the Tourism Linkages Network whose primary goal is to ensure that Jamaica's tourism sector becomes better integrated with other productive sectors, such as agriculture and manufacturing. Throughout the COVID-19 crisis, the Network worked closely with farmers to locate new markets for their produce after many hotels were closed.⁸

This is an example of how we can make a vulnerable sector sustainable and resilient. In other countries like Cuba, some hotels have reserved exhibition space in their lobbies for local artists and artisans, allowing tourists and other visitors to view and purchase items.

7 Taken from STDDP consultative session with representatives of the Central Bank Curaçao and St. Maarten, May 2021

8 Smith, A, 2020, Tourism Linkages to Assist Farmers Sell Produce, JIS Newsletter, Jamaica Information Service, April 14, 2020, at://jis.gov.jm/tourism-linkages-network-to-assist-farmers-sell-produce

Local content has gained increased importance in the development of domestic supply chains. The challenge is to identify where the greatest opportunities lie and to create initiatives that build local capacity. Such a challenge can be addressed via collaborative efforts between the Ministry of Economic Development and CTB.

Tourist Spending on Accommodation

In the 2015-2020 Master Plan, concerns were raised about the number of visitors who stay in traditional accommodation as a result of a clear shift towards non-traditional accommodation. Considering that a direct link was found between visitors' spending and hotel stays, visitors' dwindling interest in hotel stays will overtime lessen the economic benefits for the island. Hotels have the largest multiplier effect in the economy, which, in the case of Curaçao, was estimated at 1.92.

The portion of visitors who are choosing alternative accommodation over hotel facilities has steadily increased (48 percent in 2019). This trend is expected to continue after the major impacts of the pandemic subside. This will pose significant challenges to the industry in the next five years. But there are opportunities in this as well. Diversification makes the industry more competitive, and as a result, hotels are being forced to devise creative and innovative ventures to attract visitors. New hotels slated for completion in the coming five years will solidify a meaningful shift in that direction.

Table 1: Visitor Use of Accommodation 2015-2020

NUMBER OF VISITORS	2015	2016	2017	2018	2019	2020
Large Hotels	136,551	119,800	106,261	101,041	93,155	30,109
Small Hotels	59,700	50,428	49,474	49,941	59,459	15,790
Bungalows	74,168	73,064	80,933	79,555	86,673	36,960
Alternative Accommodation	197,119	198,037	162,345	201,176	224,396	92,014
Total	467,538	441,329	399,013	431,713	463,683	174,873

% SHARE	2015	2016	2017	2018	2019	2020
Large Hotels	29.2%	27.1%	26.6%	23.4%	20.1%	17.2%
Small Hotels	12.8%	11.4%	12.4%	11.6%	12.8%	9.0%
Bungalows	15.9%	16.6%	20.3%	18.4%	18.7%	21.1%
Alternative Accommodation	42.2%	44.9%	40.7%	46.6%	48.4%	52.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

% CHANGE	2015	2016	2017	2018	2019	2020
Large Hotels		-12.3%	-11.3%	-4.9%	-7.8%	-67.7%
Small Hotels		-15.5%	-1.9%	0.9%	19.1%	-73.4%
Bungalows		-1.5%	10.8%	-1.7%	8.9%	-57.4%
Alternative Accommodation		0.5%	-18.0%	23.9%	11.5%	-59.0%
Total		-5.6%	-9.6%	8.2%	7.4%	-62.3%

The Need for a Tourism Satellite Account

The development of Tourism Satellite Accounts is crucial to the destination's efforts to accurately assess the impacts of the tourism sector on the economy. In the national accounts, the contribution of the Restaurants and Hotels sector is used as an indicator of the performance of the tourism sector. However, tourism has offshoots in several other sectors such as real estate, wholesale and retail trade, and renting. The impacts of these offshoots are not accurately measured at this moment.

Ultimately, our aim as a destination is to attract visitors with the highest spend. Formulating strategies that will add value to product and service offerings and extract greater revenues is often more important than pursuing absolute growth in visitor numbers.⁹

Entrepreneurship and Investment

Entrepreneurship and investment must be seen as cornerstones of strategic tourism development and a means of strengthening local supply chains. Policies and capacity building programs must encourage and support local tourism MSME's and entrepreneurs, and facilitate the diversification of industries.

Such policies and programs must also support local entrepreneurs and workers in the supply chain who are not directly linked to the tourism industry. There is need to conduct comprehensive value chain analyses and studies that will help to identify the actors whose services will be most beneficial. Capacity building efforts may include the provision of financial assistance, information, networking opportunities and skills training.

One of the recommendations from a recent investigation into the visa policy of the Kingdom of the Netherlands¹⁰ is that Curaçao, Aruba, and St. Maarten should be given more insight into the visa information system: "Kairos". The islands must be provided with the opportunity to propose the names of people they believe should qualify for an accelerated visa handling process. The adoption of this policy, paired with the proposed digitalization of the process would be a significant step in reducing red tape and attracting much needed investment.

Sustained competitiveness of the tourism industry is dependent on the policies that strengthen the island's global position. It is vital that the CTB has the authority to propose and to assist in the formulation and monitoring of these kinds of policies.

9 Cannonier, C, Burke, G, 2018, The Economic Growth Impact of Tourism in Small Island Developing States- Evidence from the Caribbean, at: <https://www.unwto.org/investment/unwto-investment-guidelines-SA>

10 Van Zwol, R, Geutjes, F, Van der Veur, M, 2021, Visumverlening in de Caribische delen van het Koninkrijk der Nederlanden, May 6, 2021 at: [file:///C:/Users/User/Downloads/visumverlening-in-de-caribische-delen-van-het-koninkrijk-der-nederlanden%20\(2\).pdf](file:///C:/Users/User/Downloads/visumverlening-in-de-caribische-delen-van-het-koninkrijk-der-nederlanden%20(2).pdf)

1.3.3 ‘Akuerdo di Gobernashon’: 2021–2025

The revival of Curaçao’s economy is the main priority of the government’s program for 2021–2025. Economic growth is considered a driver of societal progress and well-being. This is especially true in this period when so many people, particularly the youth, have lost their jobs as a result of COVID-19 and have very limited prospects of becoming gainfully employed.

Poverty reduction is one of the government’s main objectives. Income and wealth inequality gaps have widened during the pandemic. The government acknowledges that quick, decisive and effective actions are needed. The goal is to establish a recovery program that will lead to greater national resilience and sustainability, particularly for those who are most vulnerable.

The economic sectors that are slated to fuel the island’s economic recovery are (1) Tourism, (2) International Finance, (3) Oil Refinery, (4) Government Enterprises, and (5) Small and Medium Enterprises (SMEs). There is a strong understanding of the importance investments will play in Curaçao’s economic growth. As such, the tax holiday reform for land development announced by the Minister of Finance has been well received by the private sector, as it is expected to serve as a stimulus for project developers.

The government has indicated some of the policy measures and actions they intend to take to boost post-COVID tourism growth. These include:¹¹

- Creating 4000 new rooms
- Reaching and surpassing 500,000 annual visitor arrivals
- Substantially increasing the number of visitors from North America
- Increasing airlift, particularly from North America
- Ensuring that tourism benefits everyone in Curaçao
- Developing programs to educate the population on the importance of tourism
- Ensuring that educational entities train local people to occupy the positions that will be created as a result of the expansion in the number of rooms
- Establish a Meetings, Incentive, Conferences and Events (MICE) department within the CTB.

11 For the complete list see Akuerdo di Gobernashon, 2021-2025

1.3.4 Forecasts for Economic Growth

Curaçao is now registering a negative growth in GDP of almost 20 percent. Economic recovery in 2021/2022 will largely depend on the speed of recovery of the tourism industry, which in turn will be conditional upon economic developments in the island's source markets. Vaccine rollouts, growing consumer confidence and the easing of consumer health concerns are vital determinants. Economic recovery is expected to be moderate with real GDP growth of 0.1 percent in 2021, but is expected to pick up in 2022.¹²

The International Monetary Fund has projected global growth to reach 6 percent in 2021 and 4.4 percent in 2022. Nonetheless, the outlook presents daunting challenges related to the speed of recovery across countries as well as potential persistent economic damage from the crisis.¹³

Among advanced economies, the United States is expected to surpass its pre-COVID GDP level in 2021, while many others will return to their pre-COVID levels in 2022. As it relates emerging markets and developing economies, China returned to its pre-COVID GDP in 2020, while the vast majority are not expected to do so until well into 2023.¹⁴ Forecasts vary across international organizations. The UN projects that there will be 5.5 percent global growth in 2021. However, for 2022, the UN 4.7 percent projection is higher than the IMF's 4.4 percent.¹⁵

A high degree of uncertainty surrounds these projections, with many possible downside and upside risks that are linked to the virus and access to vaccines. Greater progress with vaccinations can uplift the forecasts, while new virus variants may lead to sharp downgrades. The level of recovery will vary depending on countries' access to medical resources, the effectiveness of policy support, and the receptiveness of citizens to vaccines. The more infectious, highly transmittable Delta variant is currently causing concerns around the globe, dampening nascent optimism and potentially slowing economic recovery.

12 Central Bank of Curaçao and St. Maarten, 2021, Press Release 2021-11, Real GDP Growth Rate of 0.1% in Curaçao and 3.4% in St. Maarten at <https://www.centralbank.cw/publications/press-releases/2021/pb2021-011-real-gdp-growth-rate-of-01-in-curaçao-and-34-in-sint-maarten>

13 International Monetary Fund, 2021, World Economic Outlook: Managing Divergent Recoveries, April 2021 at <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

14 International Monetary Fund, 2021, World Economic Outlook: Managing Divergent Recoveries, April 2021 at <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

15 As per July 2021

1.4 CURAÇAO'S TOURISM INDUSTRY: OVERVIEW AND COMPETITIVE ANALYSIS

1.4.1. Introduction

Between 2010 and 2020, visitors to Curaçao increased by over 30%, however, this fell short of the growth objectives outlined in previous master plans. These plans attempted to elevate the island's ability to compete effectively and to improve the social and economic standing of its citizens.

Sustainable growth is achieved by means of the ability to maintain and grow market share, add value and create tangible benefits for the population. Thus, the competitive position of a destination is a key aspect in achieving sustainable growth.

In the 2015–2020 Strategic Tourism Master Plan, a Tourism Competitive Index for small islands was used to assess the competitive position of Curaçao. The Tourism Index was created by a team from the University of Central Florida led by Dr. Robertico Croes and consisted of three factors:

- The size of the industrial base, measured by the proportion of real tourism receipts to the total population
- Performance over time, measured by real tourism receipts
- Productivity growth, measured by the value added of tourism receipts over time (tourism value added ratio of GDP)

Based on these three factors, Curaçao ranked 16th out of 17 destinations in the Caribbean. Curaçao's performance was poor on all measures, particularly in the 'value added index' which refers to the tourism industry's contribution to the island's economy. While no measurement has been taken since, it is unlikely that Curaçao has made notable improvements in this area.

The Tourism Destination Competitive Index, developed by the OECD comprised additional indicators such as:

- Private and public investment in tourism
- Cultural and natural resources: inventories of tourism infrastructure (golf, nautical services, marinas, theme parks, etc.)
- Skills and labor: tourism workforce demographics; compensation and benefits practices of businesses; projected labor supply and demand requirements; tourism sector labor productivity; unit labor costs
- Professional training

The CTB, in cooperation with the Central Bureau of Statistics, the Ministry of Economic Development (MEO) and the Central Bank of Curaçao and St. Maarten, should explore the possibility of establishing a Destination Competitive Index for Curaçao.



This is needed, particularly because of the likelihood of intensified competition among destinations in the post-COVID era as well as the increasing importance of the sector for national growth and development.

1.4.2 Market Share

Market share is the most commonly used measurement for a destination's competitive position. Curaçao's ability to attain and maintain market share in an increasingly competitive market place is one of the determining factors in our efforts to achieve sustainable economic growth.

Table 2: 20 Year Trend: Stayover Visitors

	Curaçao	Caribbean	Market Share	Global	Market Share (Carib)
2002	217,963	16,000,000	1.4%	695,000,000	2.3%
2003	221,395	17,100,000	1.3%	684,000,000	2.5%
2004	223,453	18,100,000	1.2%	755,000,000	2.4%
2005	222,099	18,800,000	1.2%	805,000,000	2.3%
2006	234,383	19,400,000	1.2%	839,000,000	2.3%
2007	299,730	19,800,000	1.5%	894,000,000	2.2%
2008	408,844	20,000,000	2.0%	913,000,000	2.2%
2009	366,703	19,200,000	1.9%	877,000,000	2.2%
2010	341,651	19,500,000	1.8%	952,000,000	2.0%
2011	390,282	20,100,000	1.9%	996,000,000	2.0%
2012	420,869	20,900,000	2.0%	1,035,000,000	2.0%
2013	440,754	21,100,000	2.1%	1,093,000,000	1.9%
2014	453,629	22,300,000	2.0%	1,137,000,000	2.0%
2015	467,538	24,100,000	1.9%	1,195,000,000	2.0%
2016	441,331	25,200,000	1.8%	1,239,000,000	2.0%
2017	399,013	25,800,000	1.5%	1,332,000,000	1.9%
2018	431,701	25,800,000	1.7%	1,407,000,000	1.8%
2019	463,683	26,300,000	1.8%	1,459,000,000	1.8%
2020	174,871	8,942,000	2.0%	393,930,000	2.3%
Avg PA growth 2002- 2019	4.5%	2.9%		4.5%	

The above table illustrates the development of Curaçao's Caribbean market share in terms of visitor arrivals. The island topped off at 2 percent market share in 2008 and remained relatively steady through 2015.

Developments between 2015–2019:

- The total number of stayover visitors declined by 0.8 percent.
- During this period the number of visitors from Europe grew by 21.8 percent and the number from South America, primarily Venezuela, fell by 48.2 percent.
- The number of visitors from North America grew by 17.7 percent while the number from the Caribbean grew by 15.4 percent.

The exclusion of Venezuela from the total number of visitors significantly changes the overall picture bringing into view a relatively steady growth in stayover visitors of 5.4 percent per year between 2002 and 2019.

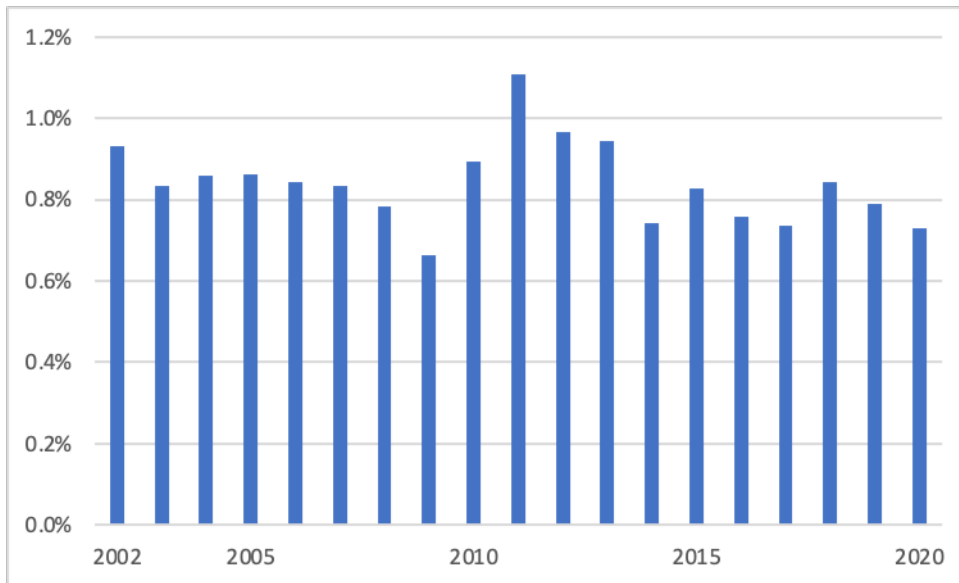
Table 3: Visitor Arrivals—Top ten Caribbean Destinations

	2019 Visitor Arrivals	2020 Visitor Arrivals
1. Dominican Republic	6,446,036	2,405,315
2. Cuba	4,275,558	1,08,5920
3. Jamaica	2,680,920	880,404
4. The Bahamas	1,804,184	445 879
5. Puerto Rico	1,610,292	678,854
6. Aruba	1,119,000	368,332
7. Guadeloupe	735 000	n/a
8. Barbados	712,946	159,144
9. USVI	640,887	415,794
10. Martinique	556,268	312,298

Curaçao has historically claimed a low share of all visitors from the USA to the Caribbean. Between 2002 and 2019, the number of trips taken by American citizens to the Caribbean grew from 4.3 million to 9.4 million. During that same period the number of trips made by Americans to Curaçao grew from 40,000 to 70,000.

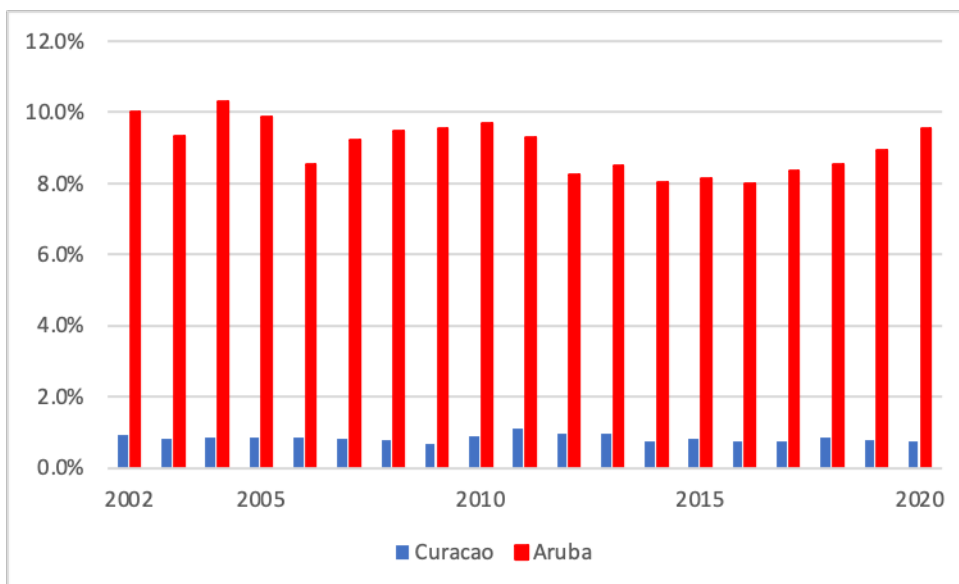
Curaçao's share of such trips averaged 0.8 percent during that period, rising to a high of 1.1 percent in 2011 after experiencing a low of 0.7 percent in 2009.

Graph 2: Curaçao Share of US Trips to the Caribbean



During the same period, Aruba received 9.0% share of such trips, with a high of 10.3 percent in 2004 and a low of 8.0 percent in 2014.

Graph 3: Share of US trips to the Caribbean



Increasing market share in the US has proved challenging though some progress has been made. Going forward, extensive research, targeted messaging and product positioning are needed. The CTB should determine exactly where in the US the new visitors will be sourced.

The identification of the island's competitive set, their respective advantages and positioning strategies will help to establish the island's competitive position.

By contrast, Curaçao experienced higher than expected growth from the Netherlands. The 2015-2020 Master Plan projected 160,796 Dutch visitors in 2019, and Curaçao received 193,884, surpassing the target by 20 percent.

1.4.3 Hotel Performance

According to Smith Travel Research (STR) which keeps track of global hotel performance, Curaçao has between 35 – 40 hotels that, in 2019, offered just over 4,100 rooms. Between 2015 and 2019, the average room occupancy of these hotels was between 67 percent – 72 percent, and the average daily room rates was US\$140 – US\$160. Average room occupancy was slightly higher than the overall average for the Caribbean (64 percent – 66 percent) while average daily room rates were about 30 percent lower than the overall ADR for the Caribbean.

Table 4: Curaçao: Hotel Performance: 2015- 2020

	Occ	ADR	RevPar	Hotels	Rooms
2015	71.4%	\$151.73	\$108.30	36	4,163
2016	67.2%	\$143.40	\$96.38	35	3,916
2017	68.9%	\$143.79	\$99.91	35	3,925
2018	72.1%	\$153.53	\$110.75	37	4,168
2019	71.6%	\$160.09	\$114.37	39	4,127
2020	37.4%	\$159.61	\$59.75	36	3,507

In 2019, the Caribbean averaged a 63.7 percent room occupancy, US\$ 218.82 in ADR and US\$ 139.45 in Revenue Per Available Room (RevPAR).¹⁶ Ultimately, RevPar is an important measure of the destination's level of attractiveness and competitiveness.

Increasing the hotel industry's RevPar must be one of the main objectives for the future as the island seeks to improve its competitive position and the socio-economic contribution benefits derived from tourism.

¹⁶ Smith Travel Research, Hotel Performance Report 2019 from <https://www.hospitalitynet.org/performance/4096716.html>



1.4.4. The COVID-19 Crisis: An Added Dimension to Destination Competitiveness

The government's handling of the pandemic has been generally well received. The containment measures succeeded in curtailing the spread of the virus and allowed for a relatively rapid “come back” in terms of border openings.

This has provided Curaçao with an advantage over some of its competitors. The vaccination program is progressing at a relatively higher speed than the average in the Caribbean (11 percent) and is higher than South America.¹⁷

Recovery of the sector will require continuous attention to health and hygiene protocols in order to rebuild trust and confidence among potential travelers.¹⁸

¹⁷ Gradus, R, 2021, College Financieel Toezicht, De financieel-economische situatie van Curaçao voor en na de Coronacrisis en het financieel overzicht, report 20210622, June 22, 2021, at https://www.cft.cw/jdownloads/All%20downloads/Rapportages/Curaao/20210622_presentatie_marriott.pdf

¹⁸ Central Bank of Curaçao and St. Maarten, Annual Report 2020, at <https://www.centralbank.cw/publications/annual-reports-quarterly-bulletins/2020/annual-report-2020>

1.5 CURAÇAO TOURIST BOARD – STRUCTURE, ROLES AND RESPONSIBILITIES

The current Curaçao Tourist Board is the operational entity of the Curaçao Tourism Development Foundation, which is fully funded by the Government of Curaçao and charged with the task of marketing the destination as well as developing a sustainable tourism product. The CTB is partially funded through an outright subsidy amount while the remaining funds accrue from sales tax on accommodation. In carrying out its tasks, CTB is governed by stipulations provided by the Ministry of Economic Development.

On 31 December 2020, 44 people were employed by CTDF.¹⁹ This included the staff at offices in The Hague/Netherlands and Miami/USA.

The 2015-2020 Tourism Master Plan, entitled ‘Building on The Power of the Past’, and produced by the University of Central Florida, recommended that the CTB take concrete steps to become more flexible and market-oriented.

1.5.1 Responsibilities

The current primary responsibility (as stated in article 2 of its ordinance/‘statuten’) is for CTB to promote the development of the tourism industry in Curaçao and the implementation of tourism policies.

CTDF tasks include:

1. Branding and Marketing (including research and data collection)
2. Advice and Coordination
3. Product Development (including implementation of specific public tourism investment projects)

¹⁹ Curaçao Tourist Board, Annual plan, 2020

Figure 1: CTB Organization Structure as per October 28, 2019



1.6 TOURISM VISION AND MISSION



Vision

To make Curaçao the most desirable destination within the Caribbean.



Mission

To market Curaçao primarily as a unique and safe leisure, and secondarily a business (or bleisure) destination thereby ensuring sustainable benefits to the island.

1.7 KEY ISSUES AND GOALS

The key issues and goals that are highlighted in this plan were drawn from the 2018 National Tourism Conference, 2019 Democratic Dialogue and from consultative sessions held with stakeholders in the industry in May 2021.

All three sources identified common challenges. This points to our perennial flaw with implementing the recommendations in our Master Plans. Given the challenges that are ahead of us, this trend will undoubtedly cripple our tourism sector. Additionally, there is a pressing need to stimulate cooperation and transparency among direct (industry) and indirect (related) stakeholders.

In order to attract more visitors from the US, there is a need to create aggressive and targeted branding campaigns. There is also a need for a greater focus on sustainable human capital development to meet the demands of significant growth in room numbers.

The establishment of the Curaçao Tourism Authority (CTA) will provide the island with the institutional framework needed to advance our agenda for sustainable tourism.

Curaçao needs to invest more in strategic leadership and entrepreneurship programs that are anchored in stakeholder-oriented management and a collaborative ethos. This 'ethos' will make it easier for the island to effectively monitor and evaluate its progress.

One of the best guarantees that the Destination Development Plan will be successfully implemented is when all stakeholders feel a sense of ownership of the ideas and vision, and also understand the need for urgent action. There needs to be a practical implementation structure which should be supported by a public private partnership.



Attention must also be paid to the accessibility of public transportation. All new products and services for Destination Curaçao must be created with the view that tourists and others should be able to easily access them. It is also important to create spaces for patrons to move around on foot or by bikes. As we prepare for a future marked by climate change, more and more people will be required to travel in these ways.

Additionally, the city center must be a space for cultural activities. Stakeholders in the tourism industry have a crucial role in making improvements to existing and future products and services for Destination Curaçao. In June 2021, a report commissioned by the Curaçao Tourist Board, produced by ‘Castro Communicatie’ recommended specific actions to significantly enhance the city center by 2023.²⁰

To realize this, there needs to be an inter-ministerial collaboration (e.g. by means of a working group or task force) between the Ministry of Economic Development, The Ministry of Traffic, Transportation and Urban Planning, and the Ministry of Justice and the Ministry of Social Affairs.

The inter-ministerial task force would be in charge of approving viable projects or programs and providing directives to the respective government departments regarding the implementation, monitoring and evaluation of projects.

20 Castro Communicatie, June 2021. Pact voor Punda. 35 concrete acties om het historische hart van Curaçao nieuw leven in te blazen.

1.8 KEY PERFORMANCE INDICATORS

Some destinations manage their tourism industry with very little information or discussion with respect to the impacts of tourism on human and natural environments. These assets that make a destination attractive must be cherished and protected. This is one reason why performance indicators are critical—they help us to identify potential risks and to take action when there is a need for change.

Tourism is considered a main driver of socio-economic development for many destinations and impacts the environments of destinations and host communities. It is therefore imperative that destinations adopt data-driven approaches that facilitate informed decisions at all levels.

Sustainable tourism development requires the informed contribution of all stakeholders, as well as strong political leadership to ensure widespread participation and consensus building. Sustainable tourism also requires a consistent level of tourist satisfaction, which includes making their experience memorable and enlightening them about sustainability issues.

The WTO²¹ considers indicators as information (data) sets or information sources that are used to measure important changes in tourism development and management. They measure: a) changes in structures and internal factors (e.g. to what extent tourism affects elements of the product, issues relating to economic, cultural, environmental assets and social values, and more broadly to organization and management issues, both within the tourism sector and the broader destination), b) changes in external factors that affect tourism and c) the impacts caused by tourism.

Currently, CTB uses a Tourism Barometer to monitor the progress of its target indicators (KPIs) within the context of sustainable tourism development.

CTB uses the barometer as an instrument to measure quarterly and/or yearly performances. The data captured by the Tourism Barometer is supplied through the assistance of the MIS, Finance and Product Development Department.

21 World Tourism Organization, 2004. Indicators of Sustainable Development for Tourism Destinations: A Guidebook.

The assessment is carried out by means of a review of the compliance rate of a selection of KPIs drawn from the 2015–2020 Strategic Tourism Master Plan and the CTB Business Plan.

It consists of basic indicators such as:

- macro-economic data (which includes the gross domestic product, direct and indirect employment)
- accommodation data (which includes the revenue per available room, the average daily rate, and the occupancy percentage of hotels)
- market data (which includes the length of stay, expenditure per visitor, marketing cost per visitor and room inventory)
- cruise data (which includes the number of cruise passengers and calls)
- product development performance data (which includes the number of persons certified for the customer service training and safety and security training)

Data are obtained from visitor arrivals statistics, the Turistika model²², CHATA, product development information, and from CTB's internal accounting system.

In order to create a more data driven environment, it is necessary to expand indicators with the assistance of key entities such as the MEO²³, CBS²⁴, Central Bank, SOAW²⁵, GMN²⁶, OWCS²⁷ and culture department.

A report by Dr. Murray Simpson that assessed Curaçao's sustainability index, recommended several additional indicators that will assist Curaçao to effectively monitor the sustainability of its tourism sector.²⁸

22 This model is a tool developed by the Ministry of Economic Development to assist in calculating the tourism indicators

23 MEO is the acronym for the Ministry of Economic Development

24 CBS is the acronym for the Central Bureau of Statistics

25 Sociale Ontwikkeling, Arbeid en Welzijn

26 GMN is Gezondheid, Milieu en Natuur

27 OWCS is Onderwijs, Wetenschappen, Cultuur en Sport

28 Simpson, M., January 2010. STZC evaluation of Curaçao, Netherlands Antilles. Narrative report



Table 5: Economic sustainability indicators

SUSTAINABLE TOURISM INDICATOR ISSUES/THEMES	PERFORMANCE INDICATORS
Economic Multipliers: Amount of additional revenue in other businesses for every dollar of tourism revenue (based on satellite accounts)	Levels of real national income, spending, and output
Quality of employment	<ul style="list-style-type: none"> • Wage comparison with other businesses in same sector • Provision of employee benefits
Access to finance	<ul style="list-style-type: none"> • Extent of ease or difficulty to obtain additional finance
Labour productivity growth rate – tourism sector (%)	volume measure of output / measure of input use
Change in Capital Investment in Tourism Sector (%)	Contribution to GDP

Table 6: Socio-cultural sustainability indicators

SUSTAINABLE TOURISM INDICATOR ISSUES/THEMES	PERFORMANCE INDICATORS
Community satisfaction/ Host reactions to Tourists	<ul style="list-style-type: none"> • Increase/decrease in complaints by residents • Action taken by business to deal with complaints
Crime and harassment	<ul style="list-style-type: none"> • Measures taken to protect tourists against harassment • Increase/decrease in crimes against tourists • Action taken to deal with crimes

Table 7: Environmental sustainability indicators

SUSTAINABLE TOURISM INDICATOR ISSUES/THEMES	PERFORMANCE INDICATORS
Environmental awareness and management	<ul style="list-style-type: none"> • Presence of policy statement • Actual EA (environmental assessment) conducted • Steps taken to rectify any environmental problems Identified
Energy efficiency	<ul style="list-style-type: none"> • Energy conservation plan • Energy consumption monitored • Energy conservation measures
Water efficiency and monitoring	<ul style="list-style-type: none"> • Water conservation plan • Scheduled water consumption monitoring • Water conservation measures
Recycling and reuse	<ul style="list-style-type: none"> • Type of waste most generated • Percent of materials recycled or reused
Solid waste management	<ul style="list-style-type: none"> • Solid waste management plan • Systematic disposal of degradable and non-degradable waste in a way that is environmentally-friendly and non-polluting
Wastewater management	<ul style="list-style-type: none"> •Waste water management plan • Attitude to waste water management • System of wastewater disposal • Management system for accidental discharge of sewerage
Pollution effects management	<ul style="list-style-type: none"> • Hazardous Waste Management Plan • Deliberate action taken to reduce pollution levels
Visual pollution (conformity to local vernacular)	<ul style="list-style-type: none"> • Planning permission obtained • Conformity to local vernacular

The recommendation is for CTB to take a leading role, along with the relevant government, private and NGO entities, to collect the indicators so as to facilitate an effective monitoring of the sustainability level.

Part II

Strategic Tourism Planning Areas



2.1 DESTINATION MARKETING

2.1.1 Introduction

The concept of marketing is centered around one's desire to deliver greater value to one's customers than what one's competitors are offering. It requires a profound understanding of customer needs, and the ability to design integrated programs that will satisfy those needs better than the competition and at a profit.

Strategic Marketing deals with how marketing efforts are used to effectively differentiate a firm from its competitors. This is achieved by continuously scanning the environment to find a 'fit' between a firm's capabilities, objectives and opportunities (actual and potential).

The marketing of a country or region is more than the sum of activities executed by a Destination Management and Marketing Organization (DMMO) to attract a targeted number of visitors. As is common to all marketing efforts it is centered around a need.

Effective tourism practices are underpinned by the need-experience-satisfaction trilogy.²⁹ But while 'the tourist' is important, development needs of the country or region should take precedence. This is captured quite well in the following statement³⁰:

"At the end of the day, destination marketing is all about turning tourism into a key driver of socio-economic progress in communities through export revenues, the creation of jobs and enterprises, and infrastructure development. A destination marketer is also an advocate for tourism, a cultural champion, and connects the visitor experience with the quality of life of residents in the community."

The 2010-2014 Tourism Master Plan correctly states that the best way to achieve the development objectives is to increase revenues. The required increase in revenues can only be achieved through one of the following.

- More visitors
- Increased per person/per day spending
- Longer stays
- Or some combination of the above

Going forward, there needs to be greater emphasis on organizational competencies and capabilities as well as a keen understanding of relevant environmental trends, the courage to take bold and swift actions, and the willingness to create new products by using sustainable approaches. Actionable research and forward oriented analytics will be key in guiding responses and enhancing competitiveness.

29 Kastarlak, B, Barber, B, 2012, Fundamentals of Planning and Developing Tourism, p 26-27

30 Quote from Michael Gehrisch, a former president and CEO of the Destination Marketing Association International (DMAI)



2.1.2 Building on the Past

Curaçao has commissioned three Tourism Master Plans in the past fifteen years. While some progress has been made in the implementation of recommended marketing strategies, the growth objectives have not been fully realized.

This can be attributed to a combination of factors, ranging from insufficient budgets and organizational challenges, to the lack of a shared vision among stakeholders.

Table 8: Objectives previous Masterplans

Deloitte 2004–2009	<ul style="list-style-type: none">- To maximize the impact and cost of a strong and consistent brand across all market places that can be championed within the industry by the travel trade, the business sector and the broader community- To maximize the opportunities in each key source market by effectively planning quality product development and marketing initiatives to satisfy the requirements of different customer segments
Halcrow/CHL 2010–2014	<ul style="list-style-type: none">- Provide a comprehensive planning framework for sustainable tourism development so that the sector continues to constitute a key driver of the economy- Elaborate a vision of the future direction and content of tourism development, which will help to focus and guide the actions of the various stakeholders towards a shared goal- Identify priority products and areas for tourism development, related tourism facilities and supporting infrastructure
University of Central Florida (UCF) 2015–2020	<ul style="list-style-type: none">- Boost economic growth- Tourism must accelerate job creation- Consolidation of the lodging industry must occur

Table 9: Marketing Strategies previous Masterplans

Deloitte 2004 – 2009	Halcrow/CHL 2010 - 2014	University of Central Florida (UCF) 2015 – 2020
Create a strong, easily recognizable and strong identity for Curaçao	Intensify efforts in the US market in line with a) increased airlift from Miami and b) supporting new routes from NE states and other hubs	Refocus the demand structure towards the American market
Increase penetration of the US market	Further develop the Canadian market based on provision of increased airlift	Airlift and hotel optimization
Maintain and grow the dominant share of the Dutch market	Develop the South American markets – primarily Brazil and Colombia, predicated on an improved VISA situation	Human Capital Investment
Encourage visitor expansion from within the Caribbean region	Increase share of the Dutch market; exploit different customer segments	Sustainable Financial Resources
Promote the development of relevant niche markets, i.e. dive, MICE, limited eco-tourism, alternative lifestyle, education and ethnic markets	Develop the German, Scandinavian, Nordic and UK markets—promotion of charters	Punda/Otrobanda as Curaçao's Tourist Rendezvous
	Promotion of niche products within source markets—MICE, scuba diving, golf	Development of Oostpunt as Curaçao's wildcard

All three Master Plans have put forward similar strategies, which, to some extent, have been implemented by the CTB with varying degrees of success. The vast majority of the strategies/goals are valid and sound, for example, the importance of branding and the need to focus on the US market. They have been incorporated into this plan.

2.1.3. Tourism Performance: 2015–2020

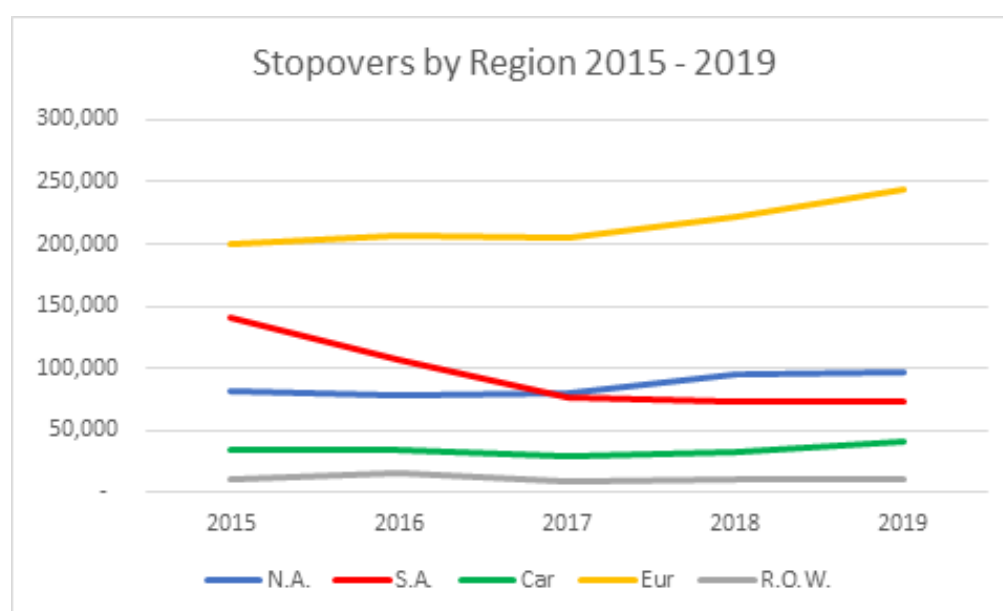
The 2015–2020 Tourism Master outlined specific targets for the sector in terms of visitor arrivals. The Plan set a target of 658,175 total arrivals by 2020. Arrivals from the US were projected to grow substantially from 63,188 in 2015 to 158,860 in 2020. Growth out of the Netherlands was projected to grow at a moderate pace and reach 160,796 in 2020, up from a total of 152,373 in 2015.

As can be seen in the following tables, results were not in line with projected targets:³¹

Table 10: Visitor Stayover Arrivals: 2015–2019

	2015	2016	2017	2018	2019	Average
J	42,428	41,696	38,744	39,513	44,151	41,306
F	39,548	41,104	35,906	34,671	41,145	38,475
M	39,526	44,734	34,550	36,241	41,861	39,382
A	36,207	37,491	35,074	32,310	40,284	36,273
M	33,621	30,981	29,196	31,251	36,385	32,287
J	30,029	28,717	27,958	30,820	33,924	30,290
J	36,345	36,731	29,775	35,410	37,248	35,102
A	39,688	38,404	30,863	36,862	38,928	36,949
S	39,656	33,162	31,094	32,654	32,509	33,815
O	41,487	34,318	31,982	35,551	34,525	35,573
N	42,391	34,387	33,726	37,602	38,158	37,253
D	46,589	39,606	40,146	47,058	44,534	43,587
Total	467,538	441,331	399,013	431,701	463,683	

Graph 4: Stayover Arrivals by Region 2015–2019



³¹ The factors influencing growth in 2020 are well known. The analysis covers the years 2015–2019



The performance of the European region (mainly Holland) superseded the performances of the North American and Caribbean regions. The loss of the Venezuelan market had a negative impact on the performance of the South American market.

Table 11: Total Stayover Arrivals USA 2015 - 2019

	2015	2016	2017	2018	2019	Average
J	5,082	5,260	5,137	5,812	6,766	5,611
F	5,780	5,708	5,387	6,141	7,139	6,031
M	5,993	6,474	6,058	6,363	8,416	6,661
A	5,329	4,800	4,587	5,003	6,210	5,186
M	5,084	4,453	5,164	5,923	5,864	5,298
J	5,449	4,945	5,327	6,843	6,722	5,857
J	4,801	5,098	4,611	6,111	6,396	5,403
A	5,110	4,901	4,718	6,773	6,308	5,562
S	4,662	3,806	3,997	4,694	3,501	4,132
O	4,452	3,685	4,332	4,825	4,040	4,267
N	4,990	4,644	5,374	6,183	5,027	5,244
D	6,454	5,863	6,311	7,951	7,650	6,846
Total	63,186	59,637	61,003	72,622	74,039	

Table 12: Total Stayover Arrivals Holland 2015-2019

	2015	2016	2017	2018	2019	Average
J	13,939	14,886	14,994	16,978	18,298	15,819
F	12,902	14,429	13,691	14,791	17,277	14,618
M	11,883	12,464	13,264	13,708	16,153	13,494
A	12,094	14,142	13,512	15,029	16,151	14,186
M	11,991	11,167	12,073	13,844	15,711	12,957
J	10,083	9,648	10,175	12,062	13,081	11,010
J	14,159	14,012	13,204	15,895	16,454	14,745
A	12,881	13,872	12,809	14,031	15,861	13,891
S	11,729	11,877	12,929	12,589	14,003	12,625
O	13,107	13,505	13,206	14,854	15,708	14,076
N	12,877	13,226	13,444	14,339	16,787	14,135
D	14,714	14,185	15,584	17,995	18,400	16,176
Total	152,359	157,413	158,885	176,115	193,884	

There was substantial growth from Holland, which surpassed the targeted number of 160,540. This is not surprising given dominance of Holland in total airlift.

A Positioning Challenge in the US

A survey conducted in 2014³² in preparation for the creation of the 2015–2020 Tourism Master Plan provided some key insights into visitor's views of Curaçao. Respondents were chosen from three tourism markets: Holland, the USA, Venezuela/Colombia.

Unsurprisingly, all markets praised Curaçao's climate, beaches, and variety of water activities. Of particular interest is the number of 'neutral' impressions from American respondents regarding most of Curaçao's destination attributes. This implies that Curaçao is under-positioned within the American market. Americans who have not traveled to Curaçao are neutral in their impressions of the island's attributes because they do not know what to expect.

³² Data included in 2015–2020 Tourism Master Plan report

The Dutch, Colombian and Venezuelan respondents who had not visited Curaçao had low neutral values. This means that even though they had not been to Curaçao, they held a favorable view of the country. Curaçao has established a strong position within these two markets and must now be mindful of reaching a point of market saturation if no new product attributes are added.

It is evident from the calculations of Net Promoter Scores³³ that tourists who have visited the island tend to recommend it to others.³⁴ The breakdown by region shows the highest score for South America (84 percent), followed by North America (71 percent), the Caribbean (65 percent) and Europe (63 percent).

Visitor Expenditures

Data from the 2019 Curaçao Tourism Insights report show that visitors spent an average of between US\$807 and \$1,788 per person per trip, with visitors from North America spending more per day (US\$248), and visitors from Europe spending more per trip (US\$1,788).

Table 13: Tourist Spending 2019

	Avg Per Day US\$	ALS Days	Trip Spend
Europe	\$191.00	9.37	\$1,788.00
North America	\$248.00	6.58	\$1,636.00
South America	\$231.00	7.02	\$1,625.00
Caribbean	\$179.00	4.41	\$807.00
Other Markets	\$126.00	2.74	\$345.00
Total	\$205.00	7.85	\$1,613.00

³³ Net Promoter Scores is an index showing the willingness of a customer to promote the company's products/services.

³⁴ Curaçao Tourism Insights Report, 2019, University of Central Florida, The Dick Pope Sr. Institute for Tourism Studies (DPITS) at the Rosen College of Hospitality Management

Target Markets

The CTB has identified its geographic target markets in Europe, North America, South America and the Caribbean. The diversification of source markets has always been a main strength of Curaçao's tourism and should be maintained as much as possible.

All previous Master Plans have recommended further widening of the narrow base provided by the strong position of the Dutch market. In this post-COVID era of limited marketing budgets, funding growth out of the US market poses a real challenge for the industry.

2.1.4 Travel Trends and Developments

According to UNWTO, international tourist arrivals are expected to reach 1.8 billion by 2030. This figure will consist predominantly of Millennials and Generation Z. By 2040, they will represent the largest share of the global population at 2.3 and 2.6 billion.³⁵

The overall trend is moving towards digital and innovative services. At the same time, there will be a movement away from traditional experiences towards more personalized experiences.

This will place additional demands on product offers, and require additional investment not only in hard infrastructure like airports and hotels, but also in soft infrastructure like digital solutions and support services. The new consumer will demand faster access to information and the ability to extend a tourism experience before and after a trip.

New Ways to Segment the Market³⁶

The new travel consumer expects to have their needs and wants met without having to hear irrelevant marketing messaging. They not only want their products, but also their marketing messages curated specifically to their preferences. As a result, destinations need to ultra-segment their marketing list. New traveler segments are emerging, and their needs differ from traditional leisure guests.

35 UNWTO, 2020, Enabling frameworks for tourism investment drivers and challenges shaping investments in tourism, Series A, Publication #1, at <https://www.unwto.org/investment/unwto-investment-guidelines-SA1>

36 Taken from Tourism Analytics Curaçao Report. June 2021



The top 5 travel segments are:



Digital Nomads: Travelers that are blurring the lines between vacation and work. They work and play in many locations.

Vagabonds: Similar to digital nomads, vagabonds work and travel, but for a different purpose—usually they are searching for a new place to call home.



The Outdoor Adventurer: These hesitant travelers often skip their usual urban vacation and try out more secluded places outdoors.

Bubble Buddies: These travelers prefer staying in their bubble with people they trust and enjoy being with.



The Do-Gooders: In a year of hardships, many are looking for new ways to give back to those who have endured severe struggles. These travelers seek alignment between their values and travel dollars. On a local level, this trend would seem to fit with planned Community-Based Tourism projects.

In acknowledging post COVID travel behavior it is important to tap into new ways to segment the digital audience. In order to put digital travel marketing plans in place it makes sense to divide the audience of potential travelers into three segments: recent travelers, travel researchers, and hesitant travelers.

Recent Travelers

This group enjoys flying and making multiple trips. If the research data show that these recent flyers went to a vacation spot, reengage them around vacation options in the near future. Study and understand the island's recent customers and search for consumers who have similar behaviors by using modelling for scale.



Travel Researchers

These consumers may not be ready to travel, but have started to plan the process. While travel researchers are merely thinking about a post-COVID destination, they are producing digital signals about where they want to go.

Hesitant Travelers

This group largely consists of people who traveled regularly pre-COVID. They spend considerable amounts of time looking up safety guidelines around COVID-19 such as news about vaccination. Once this group has been identified they should be targeted with creative messaging promoting future deals and travel safety.

Some trends are expected to last beyond the pandemic:

- The Rise of Local Travel: Particularly within large countries or regions such as North America and Europe.
- The Need for Contactless Solutions: It is likely that this trend will soon become normalized in travel and hospitality and other businesses. Some contactless engagements are more time-efficient than face-to-face interactions.
- Immediate Relevance. To be able to make a safe and informed booking decision, these travelers display a need for the most current, up-to-date information, including recent customer reviews.

2.1.5. SWOT Analysis



2.1.6 Recovery and Growth

International arrivals are expected to rebound in 2021 as more people become vaccinated and traveler confidence improves. It is hoped that many travel restrictions will also be lifted towards the end of the year.

The rebound is expected to continue in 2022 as travel conditions normalize and the pandemic is sufficiently contained globally. However, international tourism could still take 2½ to 4 years to return to 2019 levels. The recovery times for each scenario are summarized below:³⁷

- Scenario 1: recovery in 2½ years (mid-2023)
- Scenario 2: recovery in 3 years (end of 2023)
- Scenario 3: recovery in 4 years (end of 2024)

Scenario 1 would see approximately 800 million international trips in 2021, up 110 percent over the 380 million seen in 2020. Scenario 2 suggests 600 million trips in 2021, up 58 percent over 2020, while Scenario 3 forecasts 500 million trips, up 32 percent compared with 2020.

Forecast Inbound to the Caribbean

In March 2021, Tourism Economics, a leading consulting firm specializing in the travel industry forecasted that the Caribbean would see a 56.1% increase in stayover arrivals in 2021 compared with 2020.

Table 15: Forecast Inbound Travel Caribbean

	Arrivals (mil)	% change	% of 2019
2019	26.556		
2020	8.294	-68.8%	31.2%
2021	12.947	56.1%	48.8%
2022	19.610	51.5%	73.8%
2023	23.454	19.6%	88.3%
2024	26.862	14.5%	101.2%

³⁷ Forecasts subject to change. Recurrent COVID 10 outbreaks affect travel forecasts and predictions



2.1.6.1 Curaçao Visitor Arrival Forecasts

Forecasts are subject to change over time. This is especially true in present times when international travel continues to be subject to increased volatility due to the ongoing pandemic.

Given the difficulties the world is having controlling the pandemic, there is a growing doubt that international travel will achieve 2019 levels (1.47 billion trips) by 2024.

Current forecasts suggest that both the United States and the Dutch economies will have recovered by 2025. However, many tourist destinations will target post-pandemic consumers, particularly those residing in the United States, and this will result in greatly heightened competition.

The Caribbean appears to be recovering faster than other destinations, particularly with American travelers. In the first half of 2021, travel by US citizens to Europe was just 11 percent of the total number of such trips in the first half of 2019, while trips to the Caribbean were 51.1 percent.

Mexico is proving to be a major competitor for international trips, particularly by American travelers, because Mexico has imposed few COVID restrictions. International air arrivals to Mexico in the first half of 2021 were 56 percent of the total for the same six months of 2019, substantially above the total for the Caribbean which was about 40 percent. This is likely to continue for the foreseeable future as Mexico continues to add room inventory.

The Dominican Republic has taken a similar approach, with few restrictions on entry, and up to June 2021 had received 2.46 million visitors, 59 percent of the total for the same six months of 2019. The Dominican Republic is also aggressively adding new room inventory and plans to reach close to 100,000 total rooms by 2025, up from the 85,000 current rooms. Cuba will also re-open its tourism industry and plans to increase its 75,000 hotel rooms.

Curaçao will need to ensure it has sufficient funding to support competitive marketing programs in its key markets. In addition, an increase in airlift will be needed to generate the necessary growth to fill additional hotel room capacity. This will most probably require revenue guarantees and tactical marketing support.

Curaçao has reason to be cautiously optimistic. The island experienced a significant surge in visitor stayover arrivals in the second half of 2021, bringing the year-end total to 265,000, thereby easily surpassing an earlier forecast of 190,000 visitors for 2021. The following table illustrates the moderate to very strong year-on-year growth out of five key markets.

Table 16: Stayover Visitor Arrivals 2020 and 2021

Country	2021	2020	Percentage change
USA	39,095	22,646	73%
The Netherlands	160,382	97,996	64%
Germany	9,236	5,643	64%
Brazil	4,267	2,568	66%
Colombia	9,287	6,775	37%
Subtotal	222,267	135,628	64%
Other	42,733	39,248	9%
Total	265,000	174,876	52%

The industry's five -year forecast predicts continued growth in visitor arrivals through 2026. The forecast represents a realistic growth scenario based on, among others, projected airlift development, expected additions to current room inventory and the leveraging of available funds and efforts through local and international strategic marketing partnerships

Table 17: Visitor Arrival Forecasts 2022-2026

Year	Forecasted Visitor Arrivals	Percentage Change
2022	375,000	
2023	487,500	30%
2024	560,625	15%
2025	605,475	8%
2026	653,913	8%

The realization of these numbers within the planned time frame would mean that the destination will have achieved full post- COVID 19 recovery status, in terms of visitor arrivals, by 2023.

Periodic reviews and updates of the above forecasts will form an integral part of the implementation phase of the STDDP 2022-2026.





2.1.7 The Way Forward

- Establishing brand awareness is time-consuming and potentially costly. This is particularly challenging for Small Island Developing States (SIDS) that have low visibility and limited budget. For Curaçao, linking to a strong regional or international brand presence, such as the Caribbean or 'European/Dutch', can be helpful.
- For similar reasons, partnerships with corporate brands are important, whether they be tourism or non-tourism related. Joint marketing efforts with relevant well-known brands is a widely used and effective marketing strategy.
- Web-based marketing has opened up opportunities for small destinations. Establishing and maintaining attractive websites and pursuing digital marketing strategies, including work with social media, present flexible options to traditional offline marketing strategies. Customer generated content emphasizes the importance of delivering a quality experience.

We recommend that CTB commission an external audit to assess digital marketing capabilities and effectiveness to ensure marketing strategies result in the enhancement of the destination's brand and competitiveness.

This is also an opportunity for Curaçao to promote activities that are linked to the aims of sustainable tourism, such as visits to local communities and interactions with natural areas in responsible ways. We also recommend that corporate websites in the hospitality sector prominently highlight their own sustainability initiatives.

A well-designed social media strategy will also aid in establishing the DMMO's thought leadership within the local industry and internationally by sharing new developments, useful analyses and insights.

- The Brand must be shaped by the cultural identity of Curaçao's residents, or what is known as 'Destination DNA'. This was a main objective of the 'Beautiful People' campaign.³⁸ Even though the campaign was not executed, it is important to acknowledge the inseparability between internal and external branding.
- We recommend that CTB appoint a Brand Manager to safeguard the integrity of the brand and to facilitate broad-based understanding and buy-in within the various stakeholder groups. A novel approach would see the CTB engage local agencies as counterparts for international branding partners.

The positioning of the island and its destination attributes must be shared with and by all stakeholders. It is imperative that stakeholders understand the value propositions and build their clients' experiences around it.

We recommend a greater leadership role for the local private (hospitality) sector in the drafting of cooperative marketing programs that must also include their financial participation. Separate from any mutual representation in each entity's supervisory board it is recommended to establish a high-level collaborative marketing platform. The group should consist of the collective CTB marketing team and appointed representatives from the hospitality sector. Meetings should be held on a quarterly basis.

- Diversity awareness must become an integral part of international marketing, particularly in the US. Recent US Census Bureau statistics show that the share of people who identify as white now make up 58 percent of the population, compared to 69 percent in 2000. Children are now 47 percent non-white, up from 35 percent in 2010.

38 "We are a unique blend of beautiful people, living, loving and sharing our island life" was the positioning statement of a proposed local and global branding campaign. This campaign would have been part of the implementation of the 2015–2020 Tourism Master Plan.

- It is easier to retain existing markets and to gain more benefits from them than to build new ones. The destination should initially pursue mostly market penetration and product development growth strategies with the main objectives of substantially increasing demand out of the US market, increasing focus and further penetration of the Brazilian and Colombia markets and maintaining continued growth out of Holland. Market development should be limited to niche segments within geographic target markets. It must also be conditional upon a viable product-market match and the island's ability to successfully compete in that segment. Towards the end of the five-year implementation period new geographic markets may be slated for development.

The Latin American luxury market (Brazil, Colombia, Mexico, Argentina) is expected to show continued growth. Their preference for hotel stays, culinary experiences and cultural immersion make them an attractive market for the island. Brazil is also the Latin American country with the largest outbound spending.³⁹

Other factors that enhance the attractiveness of Latin American markets are the growth of the middle class, increased internet penetration and the growth in disposable income.⁴⁰ Prior to the disruption caused by the pandemic outbound travel from Latin America outpaced that of North America.

Considering the planned expansion of room inventory it is important to create a solid tourism base comprised of the island's European, North American and South American target markets.

- Marketing can be used to deliver a more even flow of visitors and fill spare capacity at certain times of year. The reliance of many SIDS on delivering sunshine holidays in winter when this is less available at home leads to seasonal demand fluctuations and points to a need to diversify the offer and markets. MICE, Dive, Eco Tourism and Wellness are segments that the island is well-equipped to handle. The MICE segment is expected to have one of the longest recovery periods.⁴¹ Additionally, the influence of climate change activists should not be underestimated, particularly in the US and Europe. Companies are reconsidering their carbon footprint.

39 Tourism in Latin America- Statistics & Facts, 2021, retrieved from <https://www.statista.com/topics/2068/travel-and-tourism-industry-in-latin-america/>

40 Opportunities in Latin America Travel and Tourism Industry- Growth, Trends, COVID-19 Impact and Forecasts (2021-2026), Mordor Intelligence, 2021

41 The Global Business Travel Association expects spending in 2021 to come in at \$842 billion and to climb back above \$1 trillion next year. Full recovery is expected "no earlier" than 2025.



South America has traditionally been a good source market for meetings, conferences and incentive travel for Curaçao. The CTB should commence with pre-emptively re-targeting this segment in 2022 with well-defined, measurable objectives and strategies in close cooperation with selected hotels and airlines.

Wellness/medical tourism and ecotourism should be added to the product-experience mix as market ready product offers come on stream. Environmental awareness and care are key to achieving success in these segments.

‘Working from home’ will remain a viable and desirable option for many given the ongoing pandemic and changing perceptions surrounding work. If Curaçao is to take advantage of these trends, internet connectivity and power supply issues need to be solved.

Diversifying into niche markets provides general tourists, who may be attracted by the primary appeal of sun, sea, and escapism, with a richer experience and with opportunities to spend more money in the local economy.

In Barbados, a new National Tourism Marketing Committee is being established under the Barbados Tourism Marketing Inc. One of its five focus areas is the strategic marketing of niche product offerings.⁴²

42 Ford-Craigg, S, 2014, National Tourism Committee Being Created, Barbados Government Information Services. Retrieved from: <https://gisbarbados.gov.bb/blog/national-tourism-marketing-committee-being-created/>

- To significantly enhance the island's competitive standing via a more data driven marketing strategy, the CTB should expand its current research capabilities by adopting one or both of the following strategies:
 - Employing an additional market research and intelligence analyst
 - Joint research projects with regional research specialists and institutions

- Marketing Budgets

COVID-19 left many destinations scrambling for funding. It is likely that we will face similar crises in the future, and as a result, diversifying and 'locking in' tourism funding will become a critical component of our efforts to build a sustainable and resilient sector.

The CTB has well-defined target markets that can effectively be accessed through online media. Traveler needs, wants and desires are, however, less stable now than they were before COVID-19. Demand is shifting quickly across markets, segments, and channels, and marketers must be quick to modify strategies.

The focus remains on digital branding and the development of a world-class website, where storytelling, testimonials and strong visuals underpin the island's positioning. This does not negate the necessity for substantial financial resources to fund robust marketing programs in CTB's target markets.

In preparation for intense post-COVID competition, cuts made to the CTB budget should be reversed and used for funding cooperative marketing programs in the US, Colombia and Brazil during the first two years of the plan.

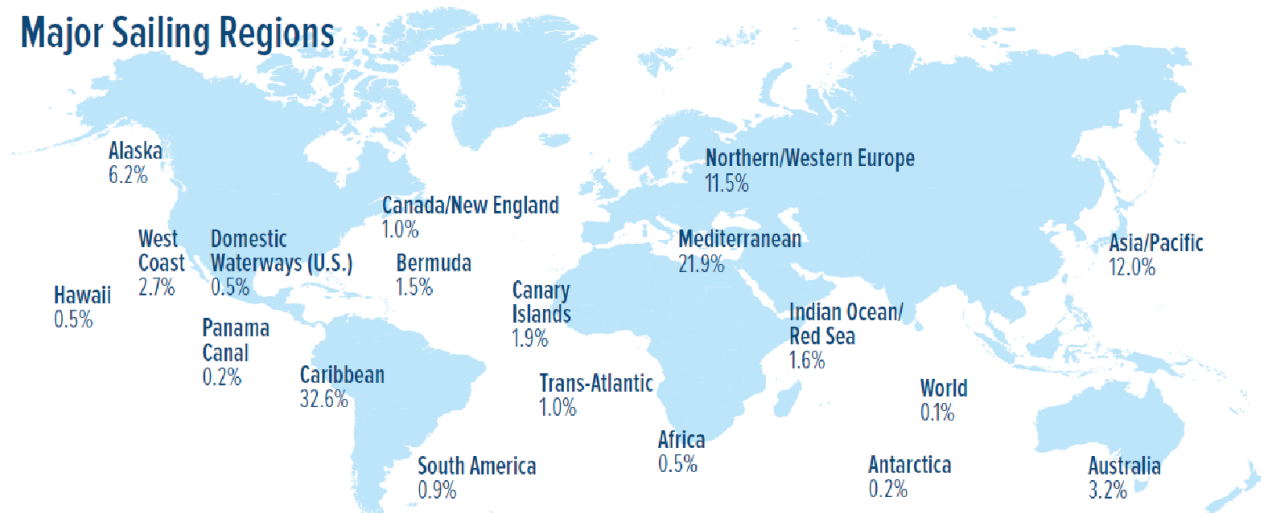
Ultimately, the goal should be to significantly increase the marketing budgets through diversification of revenue streams. In the 2010 Master Plan, it was stated that Curaçao's marketing budget for 2007 stood at approximately 3 percent of total visitor expenditure that, at the time, was in line with other Caribbean competitors. This should serve as a broad guideline for future budgets (1-3 percent).

2.2 CRUISE TOURISM DESTINATION PLANNING AND YACHTING

2.2.1 Introduction

Global cruise tourism experienced a big decline in 2020. It is expected that the sector will slowly begin to return to normalcy after June 2021.⁴³

Figure 2: Major Sailing Regions



Source: Cruise Industry News Annual Report 2021

There has been a highly-controlled resumption of cruising in Europe, Asia, and the South Pacific, primarily in the last quarter of the 2020/2021 season. They have facilitated the movement of nearly 400,000 passengers across 10 major cruise markets. In the U.S., due to the volatility caused by COVID-19, the restart date amongst the major cruise lines was set for June 2021.

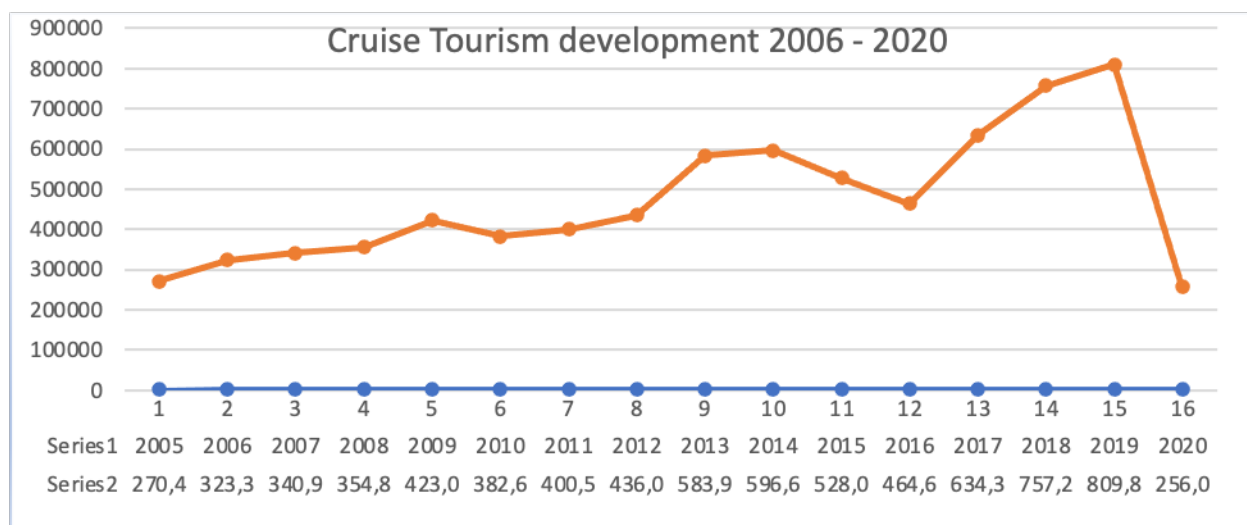
The successfully completed voyages in Europe, Asia and the South Pacific were carried out under strict industry-leading procedures that effectively mitigated the spread of COVID-19.

⁴³ For Curaçao, cruise calls started in June 2021 with Celebrity Millennium from SXM.

2.2.2 Remarkable Growth Cruise Tourism Development in Curaçao

Between 2005 and 2019, Curaçao experienced 50 percent growth in cruise visitors.

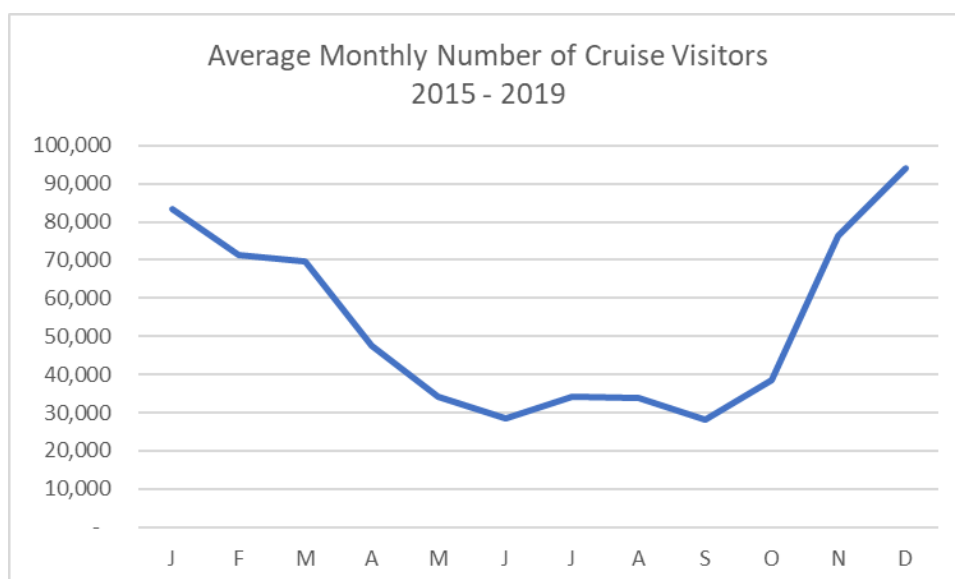
Graph 5: Average Monthly Number of Cruise Visitors 2015–2019



Source: Curaçao Port Authority⁴⁴

Interestingly, there was a substantial jump in the average number of cruise visitors per call between 2015 and 2019 for larger vessels, with the average jumping by 46 percent between 2016 and 2017, and then stabilizing at about 2,500 cruise passengers per call in 2018 and 2019. Despite these positive numbers, the cruise sector is highly seasonal which creates logistical challenges. The island (through the Curaçao Ports Authority) has put additional incentives in place during summer months to promote off-season calls.

Graph 6: Average Monthly Number of Cruise Visitors 2015–2019



Source: Curaçao Port Authority⁴⁵

44 <https://curports.com/our-ports/facts-and-figures/>

45 <https://curports.com/our-ports/facts-and-figures/>



2.2.3 Impact of COVID-19 on the Caribbean Cruise Market

Most cruises from the four leading international cruise shipping companies—Carnival Corporation, Royal Caribbean, Norwegian Cruise Lines, and Mediterranean Shipping Company—originate from the United States. This is the sub region’s largest source market.⁴⁶ The cruise high season is December to April each year. The onset of COVID-19 in the Caribbean in February 2020 curtailed operations in the industry. Cruise tourism fell by 72 percent in 2020 when compared to 2019. In 2020 there were only 8.5 million cruise visits.

Suspension of cruise activities has affected the Caribbean in terms of sector spend and employment. Border closings and passengers unwillingness to travel caused a sharp decline, with the number of cruising vessels tumbling from 169 to 77 over the six-week period from mid-February to the end of March, 2020.⁴⁷

Preliminary FCCA estimates have indicated that the Caribbean region earned roughly USD\$2.4 billion in visitor expenditure from roughly 27.1 million visitors in 2017.⁴⁸ At the same time, the industry generated just over 79,000 jobs for Caribbean residents.⁴⁹

For about a year, COVID-19 negatively affected independent business owners and individuals employed by Small and Medium-sized Enterprises. People who lost jobs included travel agents, taxi drivers, port employees, baggage handlers, and longshoremen, as well as airline, hotel, and restaurant workers.

46 CTO, 2020

47 Cruise Industry News/Bloomberg Markets, 2020

48 CTO, 2018

49 BRE and Florida Caribbean Cruise Association—FCCA 2018



2.2.4 Curaçao's Quest to Maximize Economic Benefits from Cruise Tourism

In its quest to improve its image as a cruise destination, particularly among consumers, Curaçao should determine the right positioning for the island, while maximizing the net economic benefits from cruise tourism. In addition, CTB needs to form a strong coalition of industry partners to further the expansion of Curaçao's cruise tourism.

Since 2016, the local business community has advocated for the introduction of tax and duty-free shopping in Curaçao. The past few years have been characterized by a steep decline in retail business, particularly in the tourism industry. This has resulted in a significant economic and competitive disadvantage. A proposition has been sent to the current government to amend the 2017 National Ordinance. It includes the rules on the exemption from sales tax and import duties and excise duties on designated goods sold to tourists. This will allow Curaçao to be branded as a tax and duty-free tourist (shopping) destination.

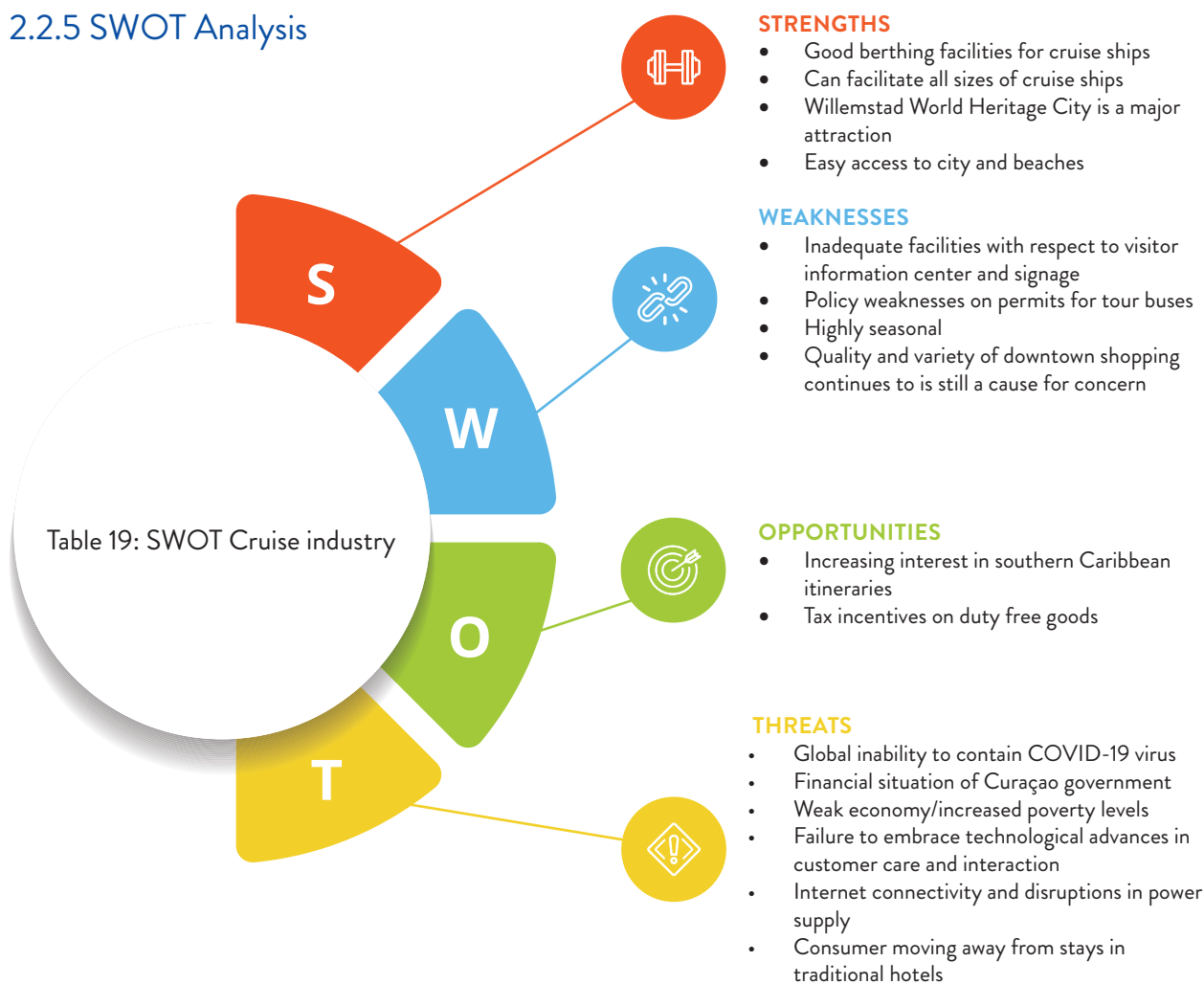
As a cruise destination, Curaçao also faces challenges resulting from its geographical location in relation to main home ports in Florida. This often leads to longer and more costly itineraries. However, the 2018 BREA study⁵⁰ shows that the destination attained favorable assessments from cruise passengers' visits.

Table 18: Ranking Satisfaction Attributes Destination Visit

Satisfaction Attributes with Destination Visit	Comparative Score vs other Caribbean islands
Overall Customer Satisfaction	# 3
Fulfillment of Pax. Experience	# 4
Variety of available activities	# 5
Value of Tours	Above Average
Passenger spending	Below Average
Crew Spending	Above Average
Cruise line Spending	Middle of the pack

⁵⁰ The 2020 study was suspended due to the COVID-19 related cruise suspension.

2.2.5 SWOT Analysis



The objectives of the cruise strategy are to:

- Enhance cruise visitors experience so that they return to Curaçao as land-based tourists
- Use strategic marketing to increase demand for the destination
- Increase passenger spending
- Attract more cruise companies calling on Curaçao
- Explore partnerships with other Southern Caribbean destinations
- Develop out-of-season capacity

In order to achieve the first two objectives, the island should incorporate an effective cruise marketing strategy as part of its overall destination marketing strategy (e.g. ‘Feel it for Yourself,’ campaign) for the consumer and trade market.

Another key requirement in the short-term success of the cruise strategy is to enhance the arrivals area to make it safer and to ensure that passengers and services flow smoothly.

The current upland development plan for the Rif Terminal has reserved facilities that can house homeporting and/or inter-porting facilities.

Some smaller and luxury vessels already allow boarding from Curaçao. However, there remains significant hurdles that are hindering large scale developments in Curaçao. To fill a medium to large-sized cruise vessel over the course of a specific interval, local capacity constraints related to the required airlift and hotel capacity need to be evaluated. Consequently, homeports are usually selected by the cruise lines taking a number of other operational issues into consideration. These include, but are not limited to itinerary planning, replenishment of supplies, bunkering, sourcing, crew, etc. Costs play a major role in such considerations. Furthermore, the source market is key in determining homeports. The fact remains that the great majority of Caribbean cruise passengers come from the US.

Notwithstanding, with the second Megapier, homeporting alternatives should receive further consideration, especially for smaller (250 to 500 cap.) cruise line ships. This will likely generate opportunities for economic linkages within the local economy, such as guest expenditures, crew expenditures and port fees.

This should be executed primarily with Royal Caribbean, which has registered its interest on a number of occasions. As a result, in the first quarter of 2022, CTB and CPA representatives should visit the headquarters of HAL, Princess, NCL, Celebrity, and Carnival to explore ways to increase volume targets.

As far as the European market is concerned, Curaçao should also expand cruise visitor arrivals from MSC, P&O UK Cruises, TUI, and Costa.

The islands' acquisition efforts are set up to attract additional cruise companies with interest in Curaçao. Therefore we should create a comprehensive diversification strategy that includes plans to draw visits from Silversea, Crystal, Seabourn, and Windstar cruises.

2.2.6 Cruise Industry Market Development and Perspectives

2.2.6.1 Short-term Perspectives 2021–2023

The post-pandemic recovery of the industry hinges on the rollout of the vaccine and the prevalence of virus variants that may affect consumer confidence and curtail travel. As a result of economic stagnation and rising unemployment levels, it will take some time before consumer confidence revives. In 2020, several popular cruise brands and ships were subject to negative publicity that shaped consumer perception. For instance, a recent survey of 600 cruisers and non-cruisers in the UK and Australia, revealed that 47 percent did not trust cruise lines to look after them if something went wrong during a voyage; while 67 percent were less willing to cruise because of the pandemic.⁵¹

51 Girma, Skift, April 2021

Cruise Industry News reports that when the industry resumes, the global fleet of more than 400 ships will see a capacity adjustment, as 24 ships have been scrapped or sold.⁵²

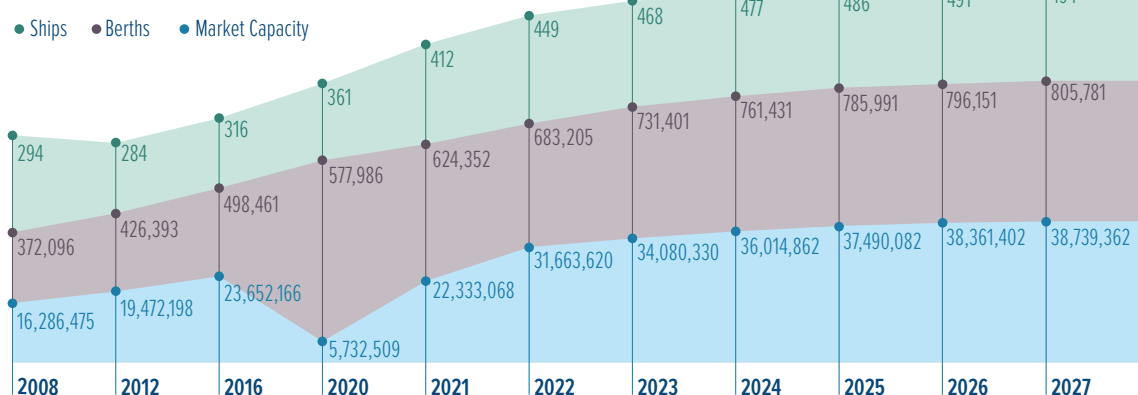
As a result, there will be a temporary reduction in capacity before the 105 new ships on the orderbook become operational between 2021 and 2027.

Figure 3: 2021 Cruise Industry

Presented by Cruise Industry News

2021 Cruise Industry

Worldwide



Source: Cruise Industry News Annual Report 2021

As new ships also tend to be bigger than the ones that were retired, the industry will continue its growth course. However, while 2021 will not see the previously projected 32 million passengers, by 2027, the global industry is projected to be able to carry more than 40 million passengers.⁵³

2.2.7 Market Capacity and Shares

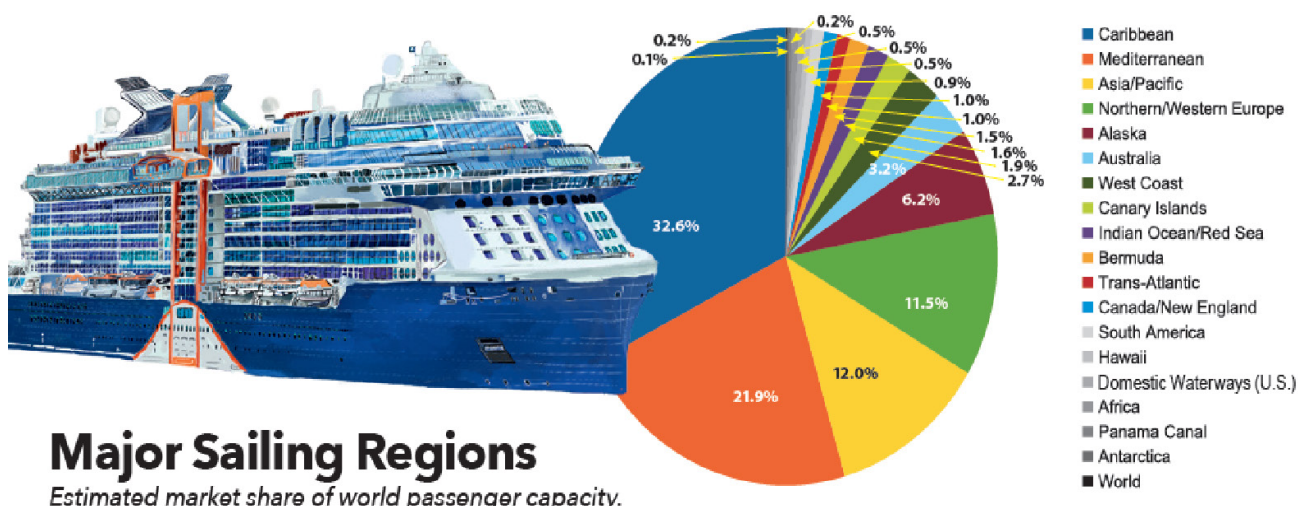
2.2.7.1 Comparative Analysis of Major Sailing Regions

Although its market share has declined throughout the years, the Caribbean remains the main sailing region with 32.6 percent of global passengers. It is also one of a few year-round markets. The Mediterranean region comes close to the Caribbean with 21.9 percent, followed by the Asia/Pacific region with 12.0 percent, Northern/Western Europe with 11.5 percent, and Alaska with 6.2 percent.

⁵² Cruise Industry News Annual Report, January 11, 2021.

⁵³ Cruise Industry Annual Report, 2021

Figure 4: Major Sailing Regions



Source: Cruise Industry Annual Report, 2021

2.2.8 Caribbean and Southern Caribbean Itineraries

As the world's largest cruise market, the Caribbean is divided into 4 main areas: Northern (with Miami, Florida, as the homeport), Western, Eastern, and Southern Caribbean (see figure 5).

Figure 5: The Caribbean Itineraries

The Caribbean Itineraries



Source Curaçao Port Authority

Cruise lines continue to look for alternatives due to amongst others congestions in Northern Caribbean destinations that are generating profit.

The Southern Caribbean Cruise Partnership (SCCP) is not active. The last initiative stemmed from 2016, in which Curaçao, Aruba, Dominican Republic and Colombia participated. Parties set up a concept for the SCCP alliance which was well-received by the FCCA operational committee.

However, the Southern Caribbean Cruise partnership is challenging due to:

- Complexities resulting from different institutional structures at destinations
- Distant location and seasonality issues. Vessels often sailed all the way down to the Deep South to call on one of these islands
- Airlift to San Juan and Caribbean home ports is limited and cost prohibitive
- High operating costs in the region (amongst others fuel)

Figure 6: Southern Caribbean

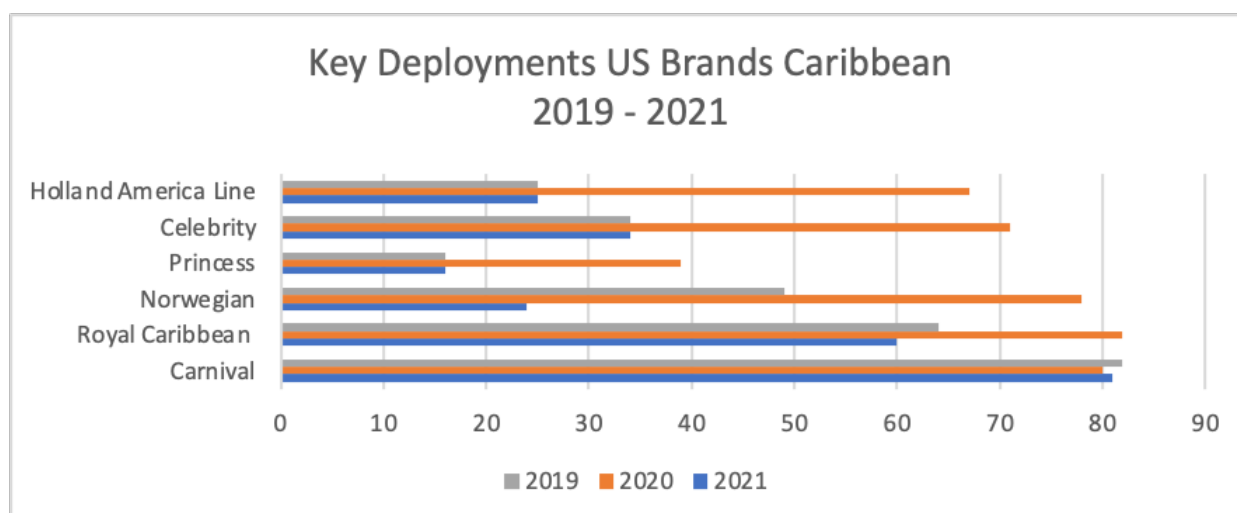


Source: Curaçao Port Authority

2.2.9 Key Deployments

Major ship deployments continue to be concentrated in the Caribbean, Mediterranean, Asia/Pacific, Northern Europe, Alaska, Australia and the Mexican Riviera. Cruise Industry News suggests that with a staggered resumption of service and reduced occupancy, the North American and other markets will see a moderation of cruise capacity in 2021, before the industry is expected to return to full operations in 2022.

Graph 7: Key Deployments U.S. Brands Caribbean



Source: Cruise Industry Annual Report, 2021

The largest companies, in terms of passenger capacity, will continue to be Carnival Corporation, the Royal Caribbean Group, MSC Cruises, and Norwegian Cruise Line Holdings. Together they command more than 85 percent of the global cruise passenger capacity. The key deployments from European cruise brands to the Caribbean are fewer than their U.S. counterparts. For 2021, six major European cruise companies—MSC (22.7 percent), Marella (18.8 percent), P & O U.K. (9.9 percent), TUI (5.8 percent), AIDA (2.9 percent) and Costa—have deployed less than a quarter of their ships to the Caribbean.

2.2.10 Major Product Groups by Market Segments

The cruise industry differentiates between six major product groups by market segments, namely Contemporary (70.6 percent of the market), Premium (20.6 percent), Budget (3.7 percent), Niche (2.3 percent), Luxury (2.1 percent), and Expedition/Soft Adventure (0.7 percent).

Curaçao mainly pursues three segments: Contemporary, Premium, and Luxury. However, with the second Megapier in place, St. Annabaai will be able to take up more alternatives.

The contemporary market segment has an average cruise length of seven days, as well as competitive prices that appeal to passengers of all ages and income categories. This market segment features the largest ships.

The premium segment tends to offer longer cruises than the contemporary segment. It appeals to more experienced travelers and has higher per diem rates. The luxury segment offers cruises ranging from seven nights and up. Luxury ships are either medium-sized or small, and tend to sail worldwide.



Cruise line companies, i.e. Royal Caribbean (37.2 percent), Carnival (33.8 percent), and Norwegian (21.2 percent) control much of the Contemporary segment. Princess (36.4 percent), Celebrity (32.8 percent), and Holland American Line (23.8 percent) dominate the Premium market. The luxury market is primarily led by Silversea (16.3 percent), Crystal (11.5 percent), Seabourn (10.9 percent), and Windstar (7.9 percent).

With the expansion of the cruise facilities, CPA has created the needed scheduling flexibility for cruise arrivals. With the two mega berths at the Rif area, the St. Annabaai channel has been freed up for smaller vessels.⁵⁴

Large vessels represent an important category that the Rif Terminal is equipped to serve. The destination has historically welcomed all categories. However, Curaçao needs to carefully assess when to schedule contemporary and premium vessels, versus the luxury ships.

It is important to remember that many of these sub-brands fall under Carnival Corporation, and Royal Corporation. Combined, these Corporate brands represent over 90 percent of cruise arrivals to Curaçao.

54 Curaçao can host a healthy mix of cruise vessels and market segments, 70 percent of which is made up of modern, large ships.

2.2.11 Future of Cruise

In the near to medium-term future, Curaçao's cruise industry will face two major challenges. Due to the ever-evolving market situation, the island has to be ready to respond to rapid developments and changes. Additionally, the liquidity that companies had to raise in order to survive in the underproductive environment will need to be repaid.

The cruise industry continues to face significant obstacles to resuming service a year after it was forced to suspend operations due to COVID-19.

Cruise Industry News reports that beyond 2021, the orderbook indicates that some 105 new ships will be introduced through 2027. Paving the way for the new ships, some capacity has been withdrawn from brands that ceased operations in 2020. All of this while Carnival Corporation and the Royal Caribbean Group have moderated their capacity through the sale and withdrawal of older tonnage.

Cruise Industry News' projections mean that the industry would need to have an annual passenger capacity of more than 40 million by 2027, compared to 28 million in 2019. While the available capacity was estimated at 29.5 million in 2020, the ships carried only a fraction of that as the industry shut down in March.

If the industry returns to full operation sometime in 2021, passenger capacity is projected to be 32 million, and will increase to 34 million in 2022. The extent to which the industry will be able to ramp up operations remains to be seen and will depend on countries' reopening their borders and ports, as well as on market demand in economies that have been severely affected by COVID-19.

The longer large sections of the industry remain shuttered the more people will face economic hardship. To mitigate this problem, cruise brands have been offering flexible booking policies, reduced rates and added values. Fortunately, these brands have reported that advanced bookings for the second half of 2021 and the first half of 2022 are ahead of 2019 levels.

Curaçao has all the trappings of an elevated cruise destination, however, cruise stakeholders need to enhance the experience of its cruise visitors by regularly communicating with the cruise lines and acting on visitors' feedback.

2.2.12 Yachting

2.2.11.1 Introduction

A report entitled Ten-Year Yacht Tourism Development Strategy Plan will be the principal source of this section.⁵⁵ The focus will be on the aspect that concerns the scope of activities of the CTB, i.e. the marketing and promotion of the yachting industry.

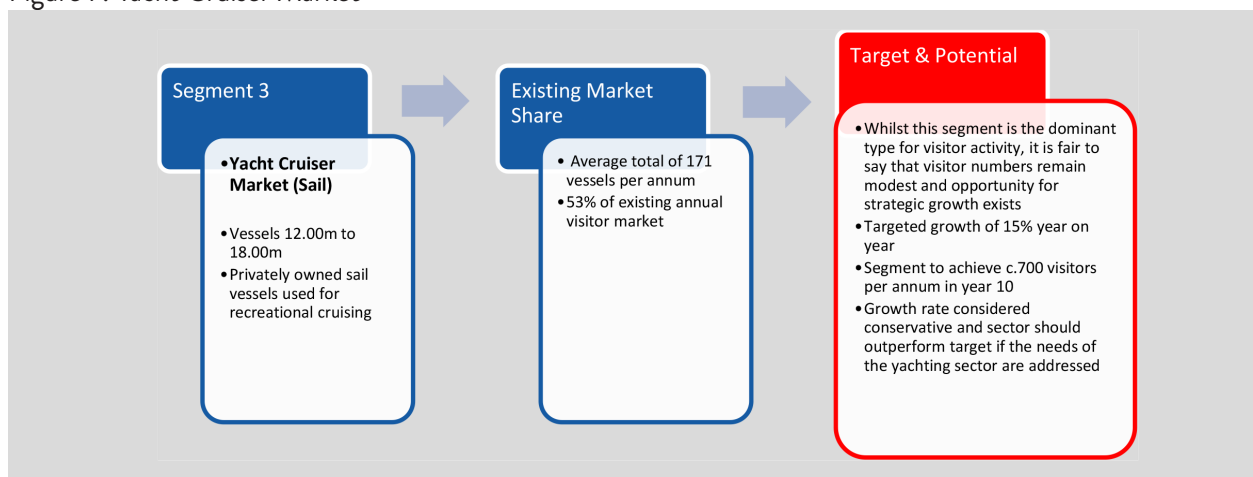
In 2020, the Maritime and Transport Business Solutions (MTBS), and Marina Projects published the Ten-Year Yacht Tourism Development Strategy Plan, which aims to address challenges with the implementation of key programs and policies in the yachting industry. This plan reports on the required organizational improvements and development options of new marina/yacht related projects. It also provides a detailed implementation plan that highlights the steps to be taken, as well as the roles and responsibilities of the organizations that should be involved in the improvement of the yachting and marina sector.

2.2.13 Analysis of the Different Yachting Segment

The existing marina facilities are at near capacity and are a reflection of the challenges that underpin Curaçao's entire yachting industry. Nonetheless, as is noted in the Yachting Strategic Plan,⁵⁶ there is potential for growth right across the board but much work needs to be done.

The report identified 5 different segments of local and visiting vessels, and assessed each segment with respect to their characteristics, the existing market share, along with the target market and potential for growth. The CTB will target 3 of the 5 segments with respect to visiting vessels:

Figure 7: Yacht Cruiser Market



55 Report produced in July 2020 by Maritime and Transport Business Solutions (MTBS) and Marina Projects, based in the Netherlands. The report was commissioned by the Foundation of Logistics (Stichting Ontwikkeling Projecten Logistieke Sector –SLS)

56 Final report –Ten-Year Yacht Tourism Development Strategy Plan: Maritime & Transport Business Solutions ‘MTBS’ and Marina Projects, July 2020

Figure 8: Private Charter market

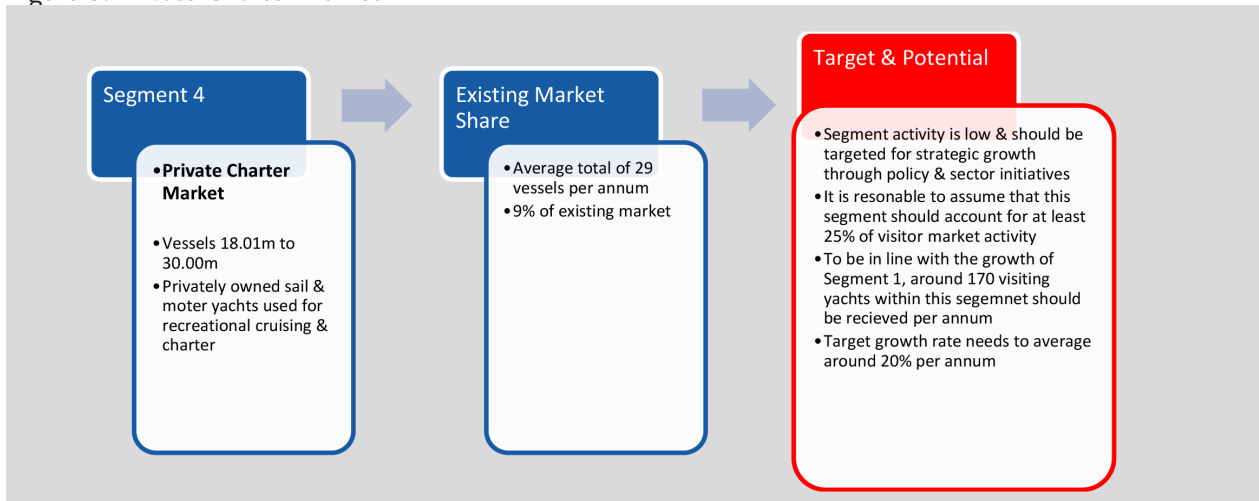
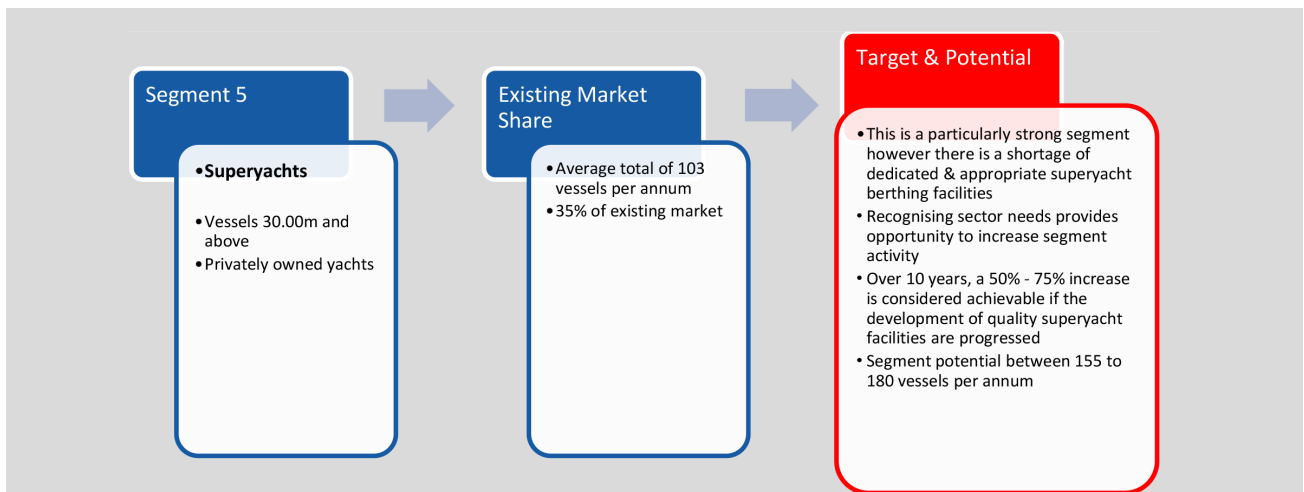


Figure 9: Superyacht Market⁵⁷



The report summarized the potential for growth, noting that:

- The fundamentals needed to facilitate growth are in place in the local yacht sector
- Increasing the yacht cruiser/charter market by around 130 to 195 vessels in 10 years is achievable. However, this will not materialize unless key strategic changes are implemented in a timely manner
- A strong day boat market exists in Curaçao, but this would primarily include lower-end boats. If this characteristic of boat ownership is to change, boating options and opportunities must be enhanced
- The day boat sector does not need to be targeted for strategic growth given that it is operating at capacity. However, rectifying certain problems in the industry will enable the sector to develop organically

57 Final report –Ten-Year Yacht Tourism Development Strategy Plan: Maritime & Transport Business Solutions ‘MTBS’ and Marina Projects, July 2020



- The potential for growth within the local leisure marine market will lead to around 1,700 total vessels in the next 10 years, with a growth of around 400 domestic vessels. With marinas currently operating at near capacity, additional berthing provision will be required to realize this growth potential.
- While interest in the yacht cruiser market is the main reasons yachts visit, an average of just 171 is very low compared with regional activity.
- Similarly to the yacht cruiser market, the strategic growth of the private and charter market needs to be boosted via the promotion of Curaçao as a yachting destination. Furthermore, Curaçao needs to become a recognized 'yacht friendly' location that offers opportunities for cruising and that houses quality berthing facilities.
- Despite the shortage of dedicated berthing facilities for superyachts, Curaçao continues to attract enough activity from which further growth can be attained in this market segment. Indeed, superyachts keep evolving, and providing higher quality facilities will encourage more yachts to stop in Curaçao.
- It should be noted that the Curaçao's remote location will always put the island at a disadvantage. Nonetheless, the sector continues to fall short of its potential.
- The review suggests a potential growth in the visitor sector of approximately 1,050 yachts per annum, which would be a 225 percent increase over 10 years.

2.2.14 Marketing and Promotion of the Yachting Industry

Curaçao needs to undertake a comprehensive marketing strategy that highlights the benefits and advantages of the islands' market position and facilities. The strategy should be executed in tandem with Curaçao Tourism Board, Chamber of Commerce and other stakeholders.

Curaçao is relatively unknown as a yachting destination. Without adequate marketing, the island will not achieve the government's vision for this industry.

2.2.15 Vision of Curaçao as a Yachting Destination

The report's writers prepared a vision of Curaçao as a potential Yachting destination: The island of Curaçao is the preferred choice for yachting tourists in the Southern Caribbean and Central American region by providing a complete yacht tourism product that results in a unique, enjoyable and enthralling experience for the yachting customer and maximizes socio-economic value to the country.

- Curaçao offers a vibrant yachting center in Spanish Waters. Yacht tourists visit the capital and are enthused by the marina and the yachts. A sailing trip to explore the island's coastline and bays can commence from a number of fully-serviced marinas nearby.
- Curaçao offers sufficient berthing capacity and anchorage/mooring facilities that stimulate yachtsmen to visit multiple destinations on the island and to moor their yachts during the hurricane season or en route to Panama.
- Curaçao distinguishes itself by the high level of service it provides tourists and yachts.



As part of its recommendations, a preliminary overview was presented of possible marketing and promotion campaigns, all of which are tailor-made for every segment of the market (see Table 21).

Table 20: Overview of Marketing Promotion Vehicles⁵⁸

Market	Level of attention	Promotion tools	Remarks
Local domestic market	Low	<ul style="list-style-type: none"> Local marina websites Local news articles in media Regatta 'ABC-vignette' 	Local yacht owners already know the local yachting opportunities
Yacht Cruiser market	High	<ul style="list-style-type: none"> Foreign exhibitions / trade shows Advertisements in yachting magazines News articles foreign media (free publicity) Curaçao Yachting website Curaçao Yachting Brochures Regatta 'ABC-vignette' 	This target group has a huge potential. Number of visiting yachts can be improved significantly. Some activities in cooperation with all ABC-islands (ABC-vignette)
Super Yachts	high	<ul style="list-style-type: none"> Foreign exhibitions / trade shows Advertisements in yachting magazines News articles foreign media (free publicity) Curaçao Yachting website Curaçao Yachting Brochures 'ABC vignette' 	This target group also has huge potential. Less in number of visiting super yachts, but spendings per visit can be very significant.

58 Final report –Ten-Year Yacht Tourism Development Strategy Plan: Maritime & Transport Business Solutions 'MTBS' and Marina Projects, July 2020

The report proposes that Curaçao Tourist Board should promote the yachting sector in partnership with Curaçao Ports Authority Marine and Yachting (CPA M & Y), private marina operators, and ancillary service providers. Additionally, it recommends the drafting of a service level agreement between the CTB and CPA M&Y which should define the activities that will be performed by CTB and the compensation it will get for performing these promotional activities.

2.2.16 Alliances with Southern Caribbean Destinations

Similar to the recommendations in the cruise section of the STDDP 2022–2026, the report also encourages establishing an alliance with Southern Caribbean destinations. As noted earlier, Curaçao is farther away from cruising routes than many other Caribbean countries. However, Aruba, Bonaire and Curaçao can establish themselves as a unified cruising region. This strategic alliance accentuates the uniqueness of each island while offering a coordinated program. Other countries, such as St. Vincent and the Grenadines, and the U.S. and British Virgin Islands have formed similar alliances.

2.2.17 Marketing and Promotion Action Plan

As mentioned before, CTB will assume overall responsibility for the implementation of the marketing and promotion action plan. The action steps for the implementation of the marketing and promotion strategy will commence in the second half of 2022, and will be incorporated in the STDDP implementation plan.

The strategies include:

- Preparing an updated and comprehensive marketing strategy and action plan that focuses on the marine leisure industry
- Creating a Curaçao Yachting Website
- Evaluating promotional vehicles and creating alternative Curaçao Yachting promotion on social media as well as advertising in yachting magazines
- Collaborating with private sector organizations to boat and trade shows such as the Miami International Boat Show and METS
- Hosting and sponsoring marine leisure events such as game fishing and sailing regattas
- Targeted approaches to the superyacht sector such as yacht management companies
- Introducing an ‘ABC yachting vignette,’ with Aruba and Bonaire
- Joining Foreign exhibitions and trade shows to promote the yachting sector
- Re-introducing events such as the Heineken Regatta

In order to execute the recommendations set forth in the plan, CTB needs to assign an experienced cruise and yachting senior officer to coordinate the two industries with the assistance of a trained team.



2.3 RE-ENGINEERING THE ROLE OF PRODUCT DEVELOPMENT THROUGH AN EXPERIENCE-DRIVEN APPROACH

2.3.1 Introduction

Curaçao needs to elevate the tourism product into a tourism experience. Product development must be driven by the demands of the market, focusing on improving existing products and building new ones that meet customer needs and expectations.

As part of the proposed restructuring of the CTB, it is necessary to encourage innovation in the development of visitor experiences that spread tourism benefits, and that support local creativity and culture. The pandemic has highlighted the mutual dependency of the tourism and cultural sectors, both economically and in terms of education, knowledge and personal wellbeing. Market trends towards experiential tourism provide opportunities to develop new inclusive community-based products. This may include initiatives that support a range of cultural assets, that can be linked through creative thematic marketing campaigns. In addition, we need to foster and support locally based tourism MSMEs,⁵⁹ local supply chains, local entrepreneurship, and related capacity building programs. Inclusiveness policies should be backed up by actions that support the spread and diversification of micro and small businesses.

A SWOT analysis of the tourism product is listed in Table 21.⁶⁰

59 Micro, Small and Medium-sized enterprises

60 Tourism Analytics Curaçao Report, June 2021

2.3.2 SWOT analysis



From as early as 2005, a recommendation was made for the implementation of a more efficient and experience-driven approach to product management and development.⁶¹

As part of the proposed restructuring of the CTB, this department will principally be responsible for three main areas: Destination (Product) Management and Monitoring; Quality Assurance; and People and Human Capital (Community Awareness) Development. It will also be responsible for providing guidance to and setting up coalitions between relevant public and private sector entities.

This section of the 2022–2026 Destination Development Plan proposes the following actions:

- A market-led experience-driven approach on the product offer
- A sustainable approach in physical and environmental planning
- Installment of a park and beach management authority
- Fortification of CTB with a quality assurance unit
- The restructuring of the taxi and tour bus sector

Curaçao is operating in a very competitive tourism market, both regionally and globally. As a result, it is important that the island, in the context of its branding strategy (“Feel it for Yourself”) matches what it promises in our main overseas markets.

Tourism Market Ready Model

This is a proven methodology for creating excellence in and organizing the in-destination tours and activities that visitors undertake when they reach a destination.

The model, created by Mrs. Judy Karwacki, president of Small Planet, and La Mano del Mono (an ecotourism firm out of Mexico), was recommended for implementation in Curaçao in 2018. It is market-led, experience-driven and export market-ready focused.

The Tourism Market Ready Model has been adapted to the Latin American context. The transition to export-ready, experience-driven products has increased the incomes of community-based enterprises by 500% in some cases, strengthening sustainable local livelihoods. Components of the model have been successfully used to support community and rural tourism development in Guyana, Grenada, Jamaica and Palestine.⁶²

Karwacki conducted two seminars in Curaçao in 2016 and 2018 through which she introduced both experiential and transformative tourism/travel concepts to the hospitality and tourism industry.

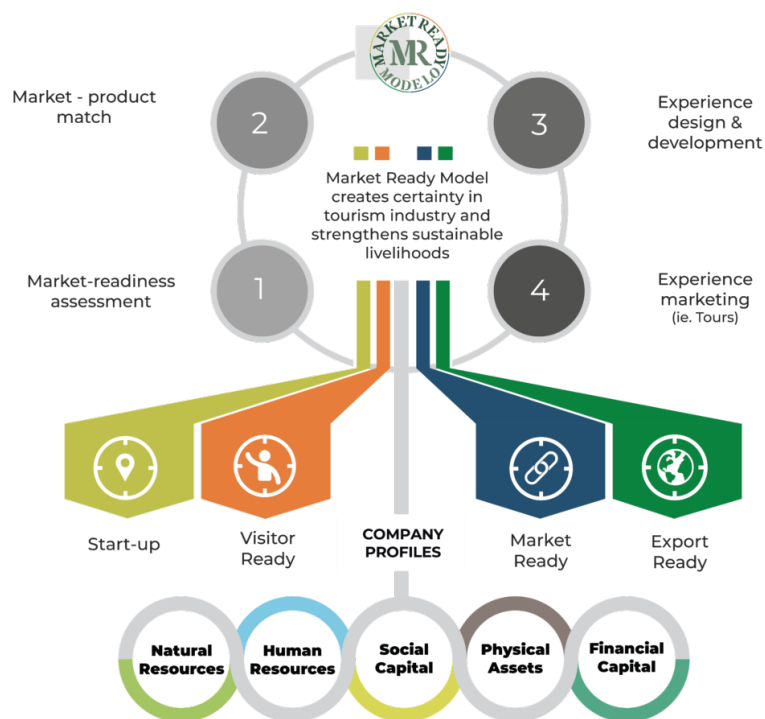
61 Curaçao Tourism Development: 2005 to 2009 by Deloitte; and Strategic Tourism Master Plan 2010 to 2014 by Halcrow/CHL

62 Karwacki, J. April, 2018. Curaçao Experiential Tourism Report



The Tourism Market Ready Model has four key steps, as illustrated in figure 10.⁶³

Figure 10: Tourism Market Ready Model



63 See detailed description of the experience creation and development model in Appendix E.

2.3.2 Tourism Engagement

The Curaçao Tourism Insights Report 2019⁶⁴ gives insights to support strategic thinking with regards to dynamics within the tourism marketplace such as tourists' demographics and experience while on the island. It also provides data regarding how tourism dollars permeated the local economy during pre-COVID times.⁶⁵

More than 11,000 tourists were asked to indicate to what extent they engaged in cultural, water, land, and nightlife activities while in Curaçao.⁶⁶ While tourism engagement increased compared to 2017, it still has not delivered a measurable impact towards the community.

In this respect, the goal of the Tourism Market Ready Model™ is to increase tourist mobility which will culminate in higher spending as a result of a higher quality experience. This could lead to a growth in the number of locally owned businesses. On a macro level, it will also contribute to a balanced growth with cultural appreciation, environmental sustainability and social inclusion.

2.3.3 Identifying Experience Assets⁶⁷

To support the product offer, Curaçao should develop an inventory of assets around which experiences can be built. The inventory should include:

- Core experiences—elements that are most appealing draw visitors to Curaçao. These should include well-known natural and cultural sites, iconic built sites, cultural experiences and people
- Supporting experiences— attributes that are not the main reasons for visiting but add to Curaçao's appeal and can be included in an experience
- Hidden secrets experiences— historically and culturally rich secrets that give the visitor 'backstager', 'insider', 'behind-the-scenes' experiences
- Resource experts— local people such as musicians, griots, artists, dancers, theater groups and poets who hold in-depth knowledge of the local culture

64 Curaçao Tourism Insights Report, 2019, commissioned by the Curaçao Tourist Board to the Dick Pope Sr. Institute for Tourism Studies, Rosen College of Hospitality Management, University of Central Florida.

65 The estimated economic impact of tourism in 2019 (direct and indirect) was USD\$ 1.20 billion, based on an average of USD\$ 1,612 that tourists spent per trip and USD\$ 205 that each tourist spent per day. Also, tourist stayed 7.85 days on average in 2019 vs. 8.28 in 2018. See Curaçao Tourism Insights Report 2019, Dick Pope Sr. Institute for Tourism Studies, UCF-Rosen College

66 A total of 11,801 tourists completed the online survey

67 Experiential Travel in an Era of Sharing Economy, Final Report by Small Planet/Judy Karwacki, December 2016.



The experience builder assets should be organized in key categories to facilitate their assessment and to aid in creating ideas for experience themes. We recommend using Small Planet's Experience Builder Asset table to help with establishing key categories for consideration.

Table 22: Experience Builder Asset ⁶⁸

	Core Experiences	Supporting Experiences	Hidden Experiences	Resource Experts
Food				
Architecture				
Nature				
Heritage				
Culture				
Adventure				
Family & Multigenerational				
Other				

This inventory of assets around which experiences can be built should be linked to the Destination Management Areas concept (see section 2.3.5). This will allow the island to achieve a tourism product that will facilitate a more elevated tourism experience.

⁶⁸ Final Report by Judy Karwacki, Curaçao Experiential Tourism, December 2016

2.3.4 Safety and Security

Curaçao must continue to guarantee a safe and secure environment by introducing or extending safety and security measures in both existing and new tourist destination areas.

UCF conducted a poll with a sample of 1,701 departing tourists who had visited Curaçao in 2014. Scores ranked above average on safety and security attributes.

However, there is currently very little data on visitors' experience as it relates to crime. Organizational and technical challenges have prevented the Police Force (KPC) from producing crime statistics on visitors.

Politur has struggled for many years to obtain sustainable support from industry stakeholders and the community. Limited manpower and funding have also affected their effectiveness. In addition, there is poor communication between KPC and Politur.

KPC has started a reorganization process. Through ActPol, its ICT system, it will be able to process and distribute key statistics by the first quarter of 2022. The production of KPI's will also form part of this plan.

CTB should commission an independent assessment to determine CTB's level of involvement with Politur and to project a course of action for the next 5 years.

2.3.5 Sustainable Approach to Physical and Environmental Planning

In the next five years, it is important that we prioritize the development of the City Center (downtown Willemstad), Eastern and Western Core Areas, through the so-called Destination Management Areas (DMA).⁶⁹ On-going development projects in areas such as Pen Resort, Sta. Martha, Zakito, and Piscadera will continue as planned.

The establishment of DMAs⁷⁰ should enable the effective management and monitoring of tourism operations and activities. The DMAs aim to promote sustainable tourism planning, including the creation of facilities that are able to meet the needs of future visitors.

The DMAs will incorporate already well-developed tourism developments with a concentration on attractions and facilities. Existing markets are expected to grow, creating future development impacts that will benefit from an integrated approach to planning and managing new facilities.

69 Strategic Tourism Master Plan Report by Halcrow/CHL, July 2010

70 DMA's are clearly defined focal areas for tourism development

Figure 11: Tourism Structure Plan⁷¹



This sequential approach to development focuses on existing settlements and tourism resort areas. These settlements and resort areas have higher densities in regions close to the City Center, where well-designed and mixed use developments are located. These effectively exploit existing and proposed transport infrastructure corridors and nodes and promote walking and cycling.⁷²

Six DMAs have been identified:

DMA 1: City Center (including Punda, Otrobanda, and extending east to include Penstraat and west through to the Aqualectra Production Plant)

DMA 2: Inner Eastern Core (extending from Marie Pompoen through to Cornelisbaai and including Jan Thiel)

DMA 3: Outer Eastern Core (including Spaanse Water, Caracasbaai and Santa Barbara)

DMA 4: Inner Western Core (including Mundu Nobo [Aqualectra Production Plant], Parasasa, through to Piscaderabaai)

⁷¹ Strategic Tourism Master Plan Report by Halcrow/CHL, July 2010

⁷² In these locations, a range of shops, entertainment venues and public transport facilities will be available to enhance visitors' experience.

DMA 5: Outer Western Core (extending from Piscaderabaai west, Blauwbaai and St. Michiel)

DMA 6: The West (including conservation areas, tourism resorts, approved tourism projects and existing settlements)

Additional DMAs may be identified through consultative meetings during implementation with the relevant government ministries. These may include the Airport Area, St. Joris and the East, represented in white on the Structure plan.

Tourism Action Area plans will be drawn up in the context of each DMA and will focus on:

- Protecting and strengthening the existing product by creating a better environment for all
- Improving the townscape and landscape features of the areas, particularly tourism and coastal areas with the aim of enhancing the overall experience
- Improving traffic circulation, accessibility, parking, pedestrian safety, movement and linkages
- Encouraging renewal of existing buildings
- Improving the overall visitor experience of nature and heritage sites through better interpretation of the sites
- Demonstrating related economic, social and community benefits, and providing a stimulus for local people's employment, entrepreneurial activities and investment opportunities

DMAs are expected to offer a different experience for tourists to the island. They will provide variety and make good use of the natural and physical environment in areas where tourism activities and facilities are located. Continued effort is needed to improve and maintain physical settings that are visually appealing and inviting for local residents and tourists.

The Plan will also seek to unify and strengthen the existing elements in the area by providing a framework to integrate development into a cohesive plan rather than allowing development to occur piecemeal. This aligns with the Tourism Market Ready model and the Experience Builder Asset model described in sections 2.3.1 and 2.3.3., which will enable the island to develop and market immersive experiences based on what visitors want.



2.3.6 Park and Beach Management Authority

Long-lasting efforts to adopt a holistic approach towards the development of Curaçao's parks and beaches led to discussions about the establishment of a Park and Beach Management Authority. This organization was mentioned in the previous three Master Plans.⁷³

Although the authority has been widely discussed—including in 2020 by Carmabi and CTB—it has failed to materialize.

Figure 12: Curaçao: Vision of Parks⁷⁴



⁷³ Master Plan for Tourism Development 1995–2005 by Tecnica Y Proyectos SA, and Travers Morgan International Ltd., Update of Curaçao Tourism Development 2005 to 2009 by Deloitte and Strategic Tourism Master Plan 2010 to 2014 by Halcrow/CHL

⁷⁴ Carmabi, 2010

Figure 13: Curaçao Beaches⁷⁵



There is an urgent need for greater environmental protection and management of our parks and beaches. A special body mandated to do this work will be a great asset to Curaçao. It will help to prevent and mitigate environmental degradation. It will also strengthen government departments and agencies that are doing important work in this area.



75 Strategic Tourism Master Plan Report by Halcrow/CHL, July 2010

2.3.7 Fortify CTB with a Quality Assurance Unit

Significant improvement in the current licensing and certification scheme is needed to ensure that the quality standards of Curaçao's tourism product meet the expectations of an increasingly demanding clientele. CTB needs to develop a certification program for the tourism and hospitality sector so that visitors will experience high quality service.

Currently, quality standards exist only for apartments, dive shops, and restaurants, but even these are not being fully implemented.

Table 23: Audits executed by CTB and CiTi ⁷⁶

	2020	2019	2018	2017	2016	2015	2014	Total audits
Apartments	2	32	8	67	23	no audits		132
Diveshops		15	11	25	0		18	69

In other Caribbean countries such as Jamaica and Barbados tourism legislation mandates the development of a program of standards for the purpose of developing and enhancing the local tourism industry.

A similar program in Curaçao will promote and maintain the quality of the businesses that operate within the industry through an audit program that provides businesses with certification in line with internationally recognized quality standards.

We recommend the redevelopment of the program of standards for Curaçao by a committee comprising the CTB, CHATA, CiTi and other relevant stakeholders.

As part of this program, we should create a body that will be responsible for licensing all hospitality and tourism related enterprises. This body should be able to grant, renew and suspend licenses.

The Overseas Countries and Territories Association (OCTA) innovation project,⁷⁷ identified strategic areas and key interventions where increased sustainability actions are formulated. The report was put together with the assistance of MEO, CTB and CiTi.

Several of the reports' recommendations were not implemented,⁷⁸ including the need for Curaçao's tourism sector to work towards international integration and brand reputation in the supply system for environmental protection.⁷⁹

⁷⁶ Curaçao Tourist Board and Curaçao Innovation and Technology Institute (CiTi)

⁷⁷ Strategic Tourism Master Plan Report by Halcrow/CHL, July 2010

⁷⁸ Assessment and Recommendations for Curaçao's Sustainable Certification Program for the Hospitality and Tourism Industry, Kai Partale (October 2016).

⁷⁹ The reader is encouraged to read this report

To ensure compliance with the standards that should be developed, it would be necessary to establish a Quality Assurance Unit within the Experience Development Department of the proposed restructured CTB. The Experience Development Department will guarantee that quality and standards are in compliance with the legal requirements and provide advice and support to stakeholders in the sector. In practice, many of the necessary inspections could be outsourced to local authorities.

2.3.8 Restructure Taxi and Tour Bus System

2.3.8.1 Introduction

In 1992, new public transport legislation was introduced to address complaints about the control mechanisms and enforcement of rules regarding the operation of tour buses and taxis. Due to the constitutional change of the government, the Public Transport Service was dissolved on October 10, 2010, and a new Traffic and Transport Service took its place. A control body was assigned to the Curaçao Police Force (KPC) to help with the Service's work. Despite this, the Service has experienced serious manpower as well as funding challenges. Consequently, the control and enforcement of the rules by KPC on public transport have not been adequately executed.⁸⁰

Growth in tourism between 2010 and 2019 has led to a huge demand for permits and exemptions from taxi and tour bus operators. Most requests have been denied due to the strict law that regulates the public transport sector.

Recently, Curaçao's parliament unanimously passed a motion to revise the Public Transportation Act, so that the sector would be more transparent. The Department of Traffic and Transport Service needs to restructure the transportation sector.

Efforts to establish the CTA need to include the creation of a Quality Assurance Unit (see section 2.3.7). We recommend that the CTA, in consultation with the Curaçao Innovation and Technology Institute (CiTi), include the taxi and tour bus sectors in the quality audit, whereby licensees have to comply with certain quality requirements.

80 Report Department of Public Transport Service, June 2021



2.3.8.2 Taxis

Curaçao has a total of 200 taxis (with license plates), most of which are members of the local taxi union — Fundashon Transporte Uni di Taxi Shofur (SINUSTA) or Thirty Steps Association (TSA). Taxis can be easily identified by their yellow sign and TX as well as the 24-7 sign on license plates. Taxis have no meters but fares are standard.

The aim to significantly improve the quality of taxi services has led TSA to establish a booking platform that will be used by TSA's taxis.⁸¹

Taxi fares will be fixed based on the shortest routes to destination, and will not take waiting times into account. Each taxi will have the 24-7 Taxi Curaçao logo.

The permit system for taxis is the responsibility of the Department for Traffic and Transport at the Ministry of Traffic, Transport and Urban Planning.⁸² The Department is in charge of licensing, and of issuing assistant driver cards and exemptions to taxi and tour operators.

81 Tourists will be able to book taxis via a mobile app, website or telephone line.

82 The Assessment and Recommendations for Curaçao's Sustainable Certification Program for the Hospitality and Tourism Industry report (see section 2.3.7) also referred to the importance of taxis to Curaçao's tourism product.

2.3.8.3 Ground Tour/Tour Bus Operators

A total of 15 permits have been issued to ground tour operators, each of whom received plates for five vehicles, except for Taber Tours (the oldest) who has 15 plates. Taber Tour businesses mainly offer tours to cruise ship visitors or conduct airport to hotel transfers. Twenty plates have been allotted to taxi operators.

Other operators often rent plates from the licensed operators, but this is not legal and can lead to inappropriate competition for businesses at the airport and the cruise terminals. In the current tour bus system, some operators sublet TW license, which results in serious shortcomings that need to be addressed. The continued issuing of exemptions for safari tours in particular should be reviewed in order to prevent a decrease in quality service. The monopolization of tour cars is highly problematic.

The current permit system does not have qualitative requirements for tour bus transport. As a result, the tour bus product does not meet the wishes of the most important (potential) customers, such as cruise lines and (luxury) hotels. Consequently, the economic potential of the tourism sector has not been fully exploited. The licensing system has no incentives that motivates licensees to offer a high-quality product and to keep up with the times. The current policy and regulations on tour buses needs to be revised.

2.3.8.4 New System based on Quality

A report produced in July 2008 by the Department of Public Transport made sweeping recommendations for the creation of a new tour bus policy.⁸³

The report proposed specific quality requirements regarding the new system of tour bus permits to be imposed on entrepreneurs and drivers of tour cars and busses. Anyone who meets these requirements will be licensed to operate one or more tour cars.

The new permit system has not been incorporated in new legislation on tour bus transport. It is also unclear whether the reform of the tour bus policy has actually been adopted and implemented by Parliament. This needs to be discussed in Parliament.

⁸³ Report produced in July 2008, entitled “Towards a new Tour bus policy - From Quantity to Quality,” by the Department of Public Transport



2.4 AIRLIFT DEVELOPMENT

2.4.1 Introduction

Airlift refers to the overall capacity provided by an airline to a specific destination or market, and it can be measured in terms of inbound seats or round-trip flights. Airline seats are fundamental to a destination's growth. An increased number of seats spurs competition and stimulates demand. Increased arrivals lead to hotel investment and employment in hospitality support sectors. The launch of even one new route creates enormous trickle-down benefits.

Airlift does not only facilitate tourism, it has substantial economic impacts both through its own activities and as an enabler to other industries, individual businesses and a range of other areas that foster economic development. Air transport is vital to our economy. Therefore, provisions must be made for the development of viable and sustainable air service to Curaçao.

2.4.2 The Effects of COVID-19

Travel restrictions, including quarantines, have seriously hampered demand. The International Air Transport Association (IATA) estimates that travel (measured in revenue passenger kilometers or RPKs) will recover to 43 percent of 2019 levels throughout 2021.

While that is a 26 percent increase compared to 2020, it does not constitute a recovery of the sector. Domestic markets will improve faster than international travel. Overall passenger numbers are expected to reach 2.4 billion in 2021. That is an improvement on the nearly 1.8 billion who traveled in 2020, but well below the 2019 peak of 4.5 billion.⁸⁴

⁸⁴ IATA, 2021, Press Release 24: Reduced Losses but Continued Pain in 2021 at <https://www.iata.org/en/pressroom/pr/2021-04-21-01/>

IATA further states that capacity is likely to return at a slower pace than demand. That reflects pressure from debt and fuel prices and airlines' inability to operate only cash flow-positive services. Taking cargo and passenger traffic into account, the overall weighted load factor is forecasted to rise to 60.3 percent in 2021. This is way below the 66 percent the airline association estimated would be needed for profitability in 2021.

Further analysis points towards an uneven pace of recovery for carriers from the world's main regions.^{85 86}

North American carriers are best placed to take advantage of the rapid vaccination boost to domestic travel in the US, as well as the strong economy driving air cargo demand. Airline losses have fallen to the lowest in any region at 2.7 percent of total revenues. In 2020, net losses were 26.8 percent of total revenues.

European carriers are highly dependent on international passenger revenues, with domestic markets representing only 11% of RPKs. Along with testing, vaccines will play an important role in the resumption of international travel. Uneven vaccination rollout is expected to limit the number of international markets opening this year. Net losses are expected to be reduced at the slowest rate among the major regions. The region's carriers are expected to see net losses of 23.9 percent of revenues for 2021 compared to 43 percent in 2020.

Latin American carriers are fortunate to have almost half (48%) of their RPKs being generated on domestic markets, in particular the large Brazilian home market. They are starting from relatively large losses in 2020 and, in some parts of the region, a slow rate of vaccination. Revenues from the growth in domestic travel are expected to cut net losses by more than two-thirds this year to 20.4 percent of revenues in 2021, up from 80.1 percent in 2020.

2.4.3 International Developments and Trends

- Growth is initially expected to be fueled by domestic travel and short/mid haul travel
- Business travel is expected to lag behind, but will eventually pick up as countries get the pandemic under control
- A preference for point-to-point travel over hub connections. COVID-19 has drastically decreased airline traffic across all routes but the volume of connecting passengers has been among the most affected as consumers avoid long haul travel that require stop overs

85 IATA, 2021, Press Release 24: Reduced Losses but Continued Pain in 2021 from <https://www.iata.org/en/pressroom/pr/2021-04-21-01/>

86 All forecasts are subject to change. Currently, the COVID-19 Delta variant's spread continues to dampen the global outlook.

- Traffic is expected to be overwhelmingly leisure and therefore low yield⁸⁷
- Intense competition will see increased emphasis on improving the customer experience with safety and comfort at the very top of the list. DMMO's and airport authorities need to embrace innovative ways to elevate passenger experience.
- It is likely that airlines, eager to return to profitability, will look at expanding or introducing flights to popular destinations depending on their handling of the COVID-19 pandemic
- Technology and innovation⁸⁸

Contactless Technology

Passengers have become increasingly weary of touching surfaces, and as a result some airlines have been updating their inflight entertainment to offer a contactless experience and to encourage passengers to bring their own devices. Biometric ID solutions such as facial recognition technology are now being implemented by airport authorities and airlines in several parts of the world. These changes have increased efficiency in passenger flows as well as their comfort and security.

E-Commerce

Considering the long-lasting challenges brought by COVID-19 —airports, airlines and their partners may have little choice but to create an attractive e-commerce proposition in order to survive the financial impacts of the crisis.⁸⁹

Digital Health Passports

The idea of health or immunity passports is not new. The digitized version will be used to verify people's health status.

87 Business travel has long been a very profitable subgroup for airlines as they usually book the more expensive, more profitable seats.

88 13 trends that will drive the transport Industry in 2021, Future Travel Experience, January, 13, 2021 from <https://www.futuretravelexperience.com/2021/01/13-trends-that-will-drive-the-air-transport-industry-recovery-in-2021/>

89 In 2020, AirAsia launched its new AirAsia Shop Online platform which enables customers to purchase duty free items and have them delivered to their homes within the next working day

- Increased concerns for the environment. Airlines and airports are being pressured to become more serious about sustainability. For example, Air France-KLM needs to meet the terms of its bailout from the French government which states that Air France must slash domestic flights and work to become the world's 'most environmentally friendly' airline. United Airlines has pledged to reduce greenhouse gas emissions by 100% by 2050.

Sustainability will increasingly be seen as a strategic imperative for airports in their COVID-19 recovery planning. Greater efficiency will be critical, including optimizing usage and spend relating to their buildings, infrastructure, energy and water. In the future, airport sustainability practices will prove to be a competitive advantage in airline negotiations.

2.4.4 The Caribbean Remains Popular

American Airlines has announced plans to launch new service to several Caribbean destinations in fall 2021. It will include new daily flights from Austin to San Juan, Puerto Rico, thrice-weekly service to Cancun, Mexico, and new nonstop flights to other destinations such as Punta Cana in the Dominican Republic, and Nassau in the Bahamas. This announcement is evidence of the growth of Austin as a Caribbean tourism source market and of the increasing popularity of Caribbean travel amid the pandemic.

Flights from Dallas this year include two daily flights to St. Thomas, along with three daily flights from Charlotte to St. Thomas. The latter represents an increase of one flight per day. American Airlines also expanded its daily flights from Miami to St. Thomas.

Spirit Airlines is expanding to Miami International Airport and is planning a wave of new flights to the Caribbean. New routes will include daily flights to Port-au-Prince, Haiti, and to Santo Domingo, Dominican Republic, as well as daily service to Barranquilla, Colombia. Spirit will also launch daily flights to San Pedro Sula, Honduras; to San Jose, Costa Rica; to San Juan, Puerto Rico; and from Miami to St. Thomas. This will further cement the carrier's presence in the Caribbean following their long-lasting Caribbean expansion out of Orlando.⁹⁰

Starting in summer 2021, United Airlines will operate nonstop service to 13 destinations across the Caribbean from its hubs in Chicago, Denver, Houston, Los Angeles, New York, Newark and Washington DC. That will include flights to Aruba, the Bahamas, Dominican Republic, St. Maarten, St. Thomas, and Turks and Caicos.

90 Caribjournal, 2021, Spirit Airlines' Planning Major Caribbean Expansion from Miami, June 2021, from <https://www.caribjournal.com/2021/06/09/spirit-airlines-caribbean-miami-expansion/>

2.4.5 The Curaçao Situation

Curaçao Airport reported a 70+ percent drop in passenger traffic for 2020. In order to recover and achieve sustainable tourism growth, we must gain and maintain high levels of airlift. This will be difficult to achieve in an extremely competitive post-COVID-19 travel environment. As such, we must handle the pandemic well, adopt new technologies, strengthen our tourism brand by improving customer experience, and solidify existing partnerships and forge new ones.

Airlift development over the past five years has not always been positive. According to Curaçao Airport, the number of scheduled air seats fell from 1.31 million in 2015 to 974,000 in 2019, a drop of 337,000 seats with the biggest decline coming in 2017.

This was primarily due to a loss of 198,000 seats from Venezuela between 2015 and 2019, which accounted for 59 percent of the total loss of seats, as well as a loss of 109,350 seats from Caribbean markets (primarily Aruba and Bonaire) which comprised 32.4 percent of the total loss of seats. Seats from North America fell by 20.3 percent during this period. Curaçao lost 26 percent of its air seats between 2015 and 2019. Rebuilding airlift will be critical to growing the tourism sector.

Table 24: Regional Air Access 2015–2019

	2015	2016	2017	2018	2019
Europe	312,576	316,418	293,349	313,944	340,368
North America	206,976	201,551	154,089	169,233	164,777
South America	327,277	317,347	135,773	111,628	99,280
Caribbean	442,571	471,806	327,458	322,294	333,221
Central America	21,248	21,590	20,516	34,184	36,110
Total	1,310,648	1,328,712	931,185	951,283	973,756



Table 25: Percentage Change 2015–2019 Regional Access

Percentage Change 2015 – 2019					
	2015	2016	2017	2018	2019
Europe		1.2%	-7.3%	7.0%	8.4%
North America		-2.6%	-23.5%	9.8%	-2.6%
South America		-3.0%	-57.2%	-17.8%	-11.1%
Caribbean		6.6%	-30.6%	-1.6%	3.4%
Central America		1.6%	-5.0%	66.6%	5.6%
Total		1.4%	-29.9%	2.2%	2.4%

2.4.6 SWOT Analysis



2.4.7 The Way Forward

Significant growth in visitor arrivals will not be achieved without the required air access. The planned increase in hotel room inventory and the expected surge in demand (particularly out of the US) will inevitably lead to lower hotel room rates if airlift is unsubstantial. A review of successful destinations in the Caribbean suggests that, in general, the islands with greater air access receive the most visitors.⁹¹

⁹¹ Tourism Master Plan 2015-2020, Curaçao: Building on the Power of the Past, Rosen College of Hospitality Management, University of Central Florida



Currently, efforts are concentrated on restoring the airlift (airlines and frequencies) that was lost during the height of the COVID-19 pandemic. The forecast for 2021 is that the island will recover approximately 40 percent of the 2019 air seats, of which 57 percent is expected to come out of Europe.⁹²

Airport authorities are expecting a path to recovery that will see passenger growth rates of 75 percent, 35 percent, and 20 percent, in 2022, 2023, and 2024, respectively.⁹³

This plan proposes the following:

- The installation of an Airlift Development Committee under the leadership of the CTB (chair), Curaçao Hospitality and Tourism Association, Curaçao Airport Holding and Curaçao Airport Partners (co-chairs). The Committee's main objectives will include continuously assessing airlift trends, monitoring local and international developments, and taking action to actualize Curaçao's airlift goals. Ideally, this committee should be formalized by government decree. The committee should include partners from the tourism and hospitality sector as well as from the wider Curaçao business community.
- Contributions to the Airlift Fund should also come from businesses outside of the tourism sector, as airlift is indispensable to Curaçao's overall socio-economic prosperity. The sector's sustainability is an issue of national concern.
- The recommendations in the 2015–2020 Master Plan with regard to airlift out of the U.S. should be implemented. The Northeast, economically highly developed, densely populated and culturally diverse, remains a high priority

92 Forecast by Curaçao Tourist Board

93 Forecasts subject to change

- Other areas with existing air access, tour operator commitment and consumer awareness, i.e., Colombia and Brazil should also be slated for further investment and development.
- The decision to substantially reduce CTB's budget in 2020 should be reversed and the ensuing 'additional' funds used for cooperative marketing with airlines and tour operators.
- The further diversification and strengthening of the tourism base must include efforts to increase demand and airlift out of South America. Colombia and Brazil remain priority markets.

2.5 HUMAN CAPITAL DEVELOPMENT FRAMEWORK

2.5.1 Introduction

The development of Curaçao's human capital is crucial and is a core focus of tourism's soft component. These soft components are defined as the intangible aspects of a destination's delivery process and include service levels, product identity, institutional support, and public-private partnerships.

This is needed, particularly because new trends continue to change the way we live, work, and vacation. Experience-based or experiential tourism is one of these influences. Travelers still want to see famous icons but are more interested in creating authentic experiences where culture, local food, the environment, and interacting with locals are essential components of what they hope to imbibe. In addition, the need to feel safe and secure plays an essential part in determining which destinations they choose.

Technological advancements have shifted consumer behavior by making it easier for them to acquire information, resulting in great transparency when it comes to service and product ratings. This is one reason why it is essential that front-line tourism employees are adequately prepared. They are a vital element of the whole 'experience value chain' and of Curaçao's market-led, experience-driven marketing strategy. The destination's workforce needs to be equipped to manage these challenges. This means that the number workers with the required skills needs to increase rapidly.

The objective of this Human Capital Development framework is to institute strategies and actions to address the human capital/resource development needs of the industry over the next 4 years and to be used to guide strategic and policy decisions affecting Curaçao.

2.5.2 Human Capital Development 2005 – YTD

As a destination, Curaçao has been engaged in the development of human capital for the tourism industry since 2005. Recommendations for development priorities included:

- Creating tourism awareness and education programs for the local population
- Enhancing and developing appropriate training modules with increased participation levels across the industry
- Establishing a Human Resource Board that, together with the CTB, will provide advice to stakeholders
- Preparing and implementing tourism awareness campaigns in pilot communities.
- Preparing a cultural heritage resources program
- Supporting and working with the public and private sector to deliver environmental education and awareness programs
- Implementing a feedback system to monitor and inform the industry of supply and demand of human resources

CTB and various stakeholders had inadequate data at their disposal to monitor strategies that were in place, manage development needs, and to drive future decisions that would eventually lead to the achievement of the objectives. The strategy and action plans were not implemented because of several reasons including limited funding, inadequate institutional support and a lack of collaboration between public and private sector organizations.

The recommendations for strategic human capital development for the 2015 to 2020 period were to:

- Develop the readily available human capital by encouraging a positive mindset among tourism employees
- Increase the manpower in the industry
- Enhance negotiation and technical skills, and increase effectiveness at work
- Establish systems that facilitate the production of statistics related to the need for human resources as well as matching employment opportunities with employee skill sets.
- Conduct a thorough survey of career opportunities available in the industry, including employees' compensation and benefits. A robust data bank will guide the decisions of employers and potential employees.

- Shift the collective mindset in the tourism industry toward high-quality service standards. The following actions would further support the development of a highly qualified workforce:
 - Tax deductions for large hotels that will offset the costs of having a significant share of their employees in training
 - Advocacy regarding benefits and career opportunities within the hospitality industry to be started at a young age (e.g. middle school and early high school)
 - Incorporation of an ‘industry overview’ into hospitality and training programs, including a synopsis of job demands, typical working hours, and service expectations
 - Incorporation of ‘interview readiness’ assessments into hospitality and training programs
 - Expansion of current education and training programs to include competency development in areas such as professionalism, communication, language, relationship building, service, and teamwork
 - Performance management, constructive feedback/coaching
 - The execution of training programs to be done in tandem with a national awareness campaign that promotes tourism development as a key vehicle for the enhancement of residents’ quality of life. The ‘Beautiful People’ program can be instrumental in reaching this goal in the short/medium term

A major strength of the 2015–2020 Strategic Tourism Master Plan was that all stakeholders agreed on a need for change and were willing to work for that change. Firm leadership is vital in maintaining long term stakeholder commitment.

2.5.3 Manpower Planning

Manpower planning is a process that is often used to analyze the gap between current and future labor supply and demand needs and requirements. The destination can increase its supply of human capital by:

- Developing a multi-annual vision for the labor market policy with input from all stakeholders
- Providing data insights on the number of students at the different educational levels, specifically focused on tourism and related field studies
- Acquiring data on the staffing requirements of the industry
- Having clear information about policies, the involvement of the education system and other stakeholders
- Collaboration between the education sector and stakeholders to be managed through a KBB or ROA⁹⁴ institute
- Executing the initiatives proposed by SER⁹⁵ (one of which is the installment of the ROA (Council Education and Labor Market) to align needs of the educational and occupational fields.
- Encouraging intensive collaboration between several schools offering the same curriculum (strategic and operational)
- Funding of vocational education, and increasing efficiency through collaboration between stakeholders and schools
- Creating an investment fund to strengthen vocational education and to encourage the realization of the policies
- Implementing a structural collaboration and partnership between the OWCS⁹⁶, SOAW⁹⁷, and MEO and initiating an evaluation of the current legislation governing education and labor

2.5.4 Conclusions and Lessons Learned

The unclear vision for human capital development in Curaçao over the past 15 years is evident in the following set of patterns.

94 Raad Onderwijs en Arbeidsmarkt

95 Social Economic Council

96 Ministerie van Onderwijs, Wetenschap, Cultuur & Sport

97 Ministerie Sociaal Ontwikkeling, Arbeid & Welzijn



The first pattern relates to the enhancement of overall service quality and updating the skills and competencies of the tourism sector workforce. Initiatives included training and certification programs of KBB Curaçao and the Curaçao Hospitality Training Foundation. Vocational training was given during short internships at the Academy Hotel. CHATA's "Kla pa Turismo" initiative introduced a skills training program to retrain job seekers for the workforce.

Lessons learned:

- Due to insufficient quantitative data, no insights can be provided as to the number of people trained, and the progress in the overall service quality of the destination. The ROI cannot be determined.
- The training programs were not designed to discover the talents required to move the industry forward.
- The initiatives taken were mostly siloed. It seems that key institutions worked towards their own objectives instead of sharing knowledge and looking for ways to collaborate.

The second pattern is the insufficient supply of manpower to meet the growing demands of the industry.

Lessons learned:

- There are many opportunities in Curaçao's professional education system that have not been pursued due to a lack of vision and collaboration between the hospitality and education sectors.
- The final attainment levels within the current qualification structure are outdated and the level of digitalization and new technologies have not been sufficiently implemented.
- The lack of qualified teachers/instructors and funds hampers innovation in education.
- Educational institutions generally do not work together, and as a result, opportunities to increase the level of practical experience for students via exchange programs are limited.

The third pattern is related to community awareness.

Lesson learned:

- Employment in the tourism sector was not seen as a fundamental base for improving the quality of life of people in Curaçao. For this to happen, it is important for us to understand, respect, and appreciate our heritage. After all, if Curaçao is to realize its mission statement, it must be considered that memorable experiences are highly driven through the consumption of encounters that are filled with positive emotions. These encounters require that both tourists and locals be emotionally fulfilled in their interactions.

The fourth pattern is a non-collaborative institutional framework. There are many State-Owned Enterprises (SOE's) and Non-Governmental Organizations (NGOs) that play important roles in the tourism industry. The industry is affected by the policy decisions and actions of nearly all government departments responsible for finance, public works, transport, customs, and immigration.

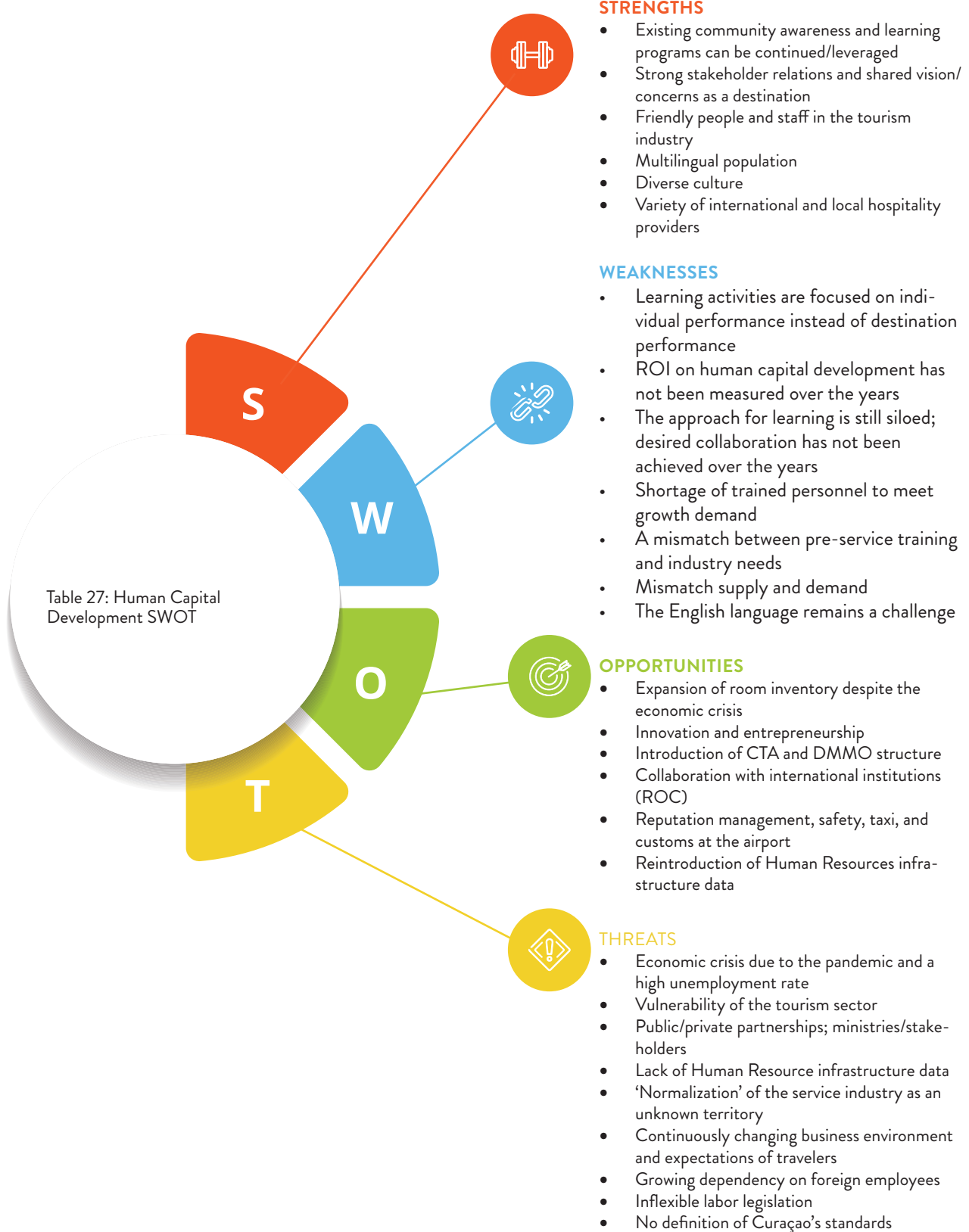
Lessons learned:

- Although tourism is an essential part of Curaçao's economy, the industry doesn't get the level of attention and support needed from government.
- CTB was originally a ⁹⁸DMO, although for many years it functioned as a DMMO.⁹⁹ The tourism industry today requires an approach that prioritizes stakeholders' experiences and views.

⁹⁸ Destination Marketing Organization

⁹⁹ Destination Management and Marketing Organization

2.5.5. SWOT Analysis





2.5.6 Human Capital Maturity

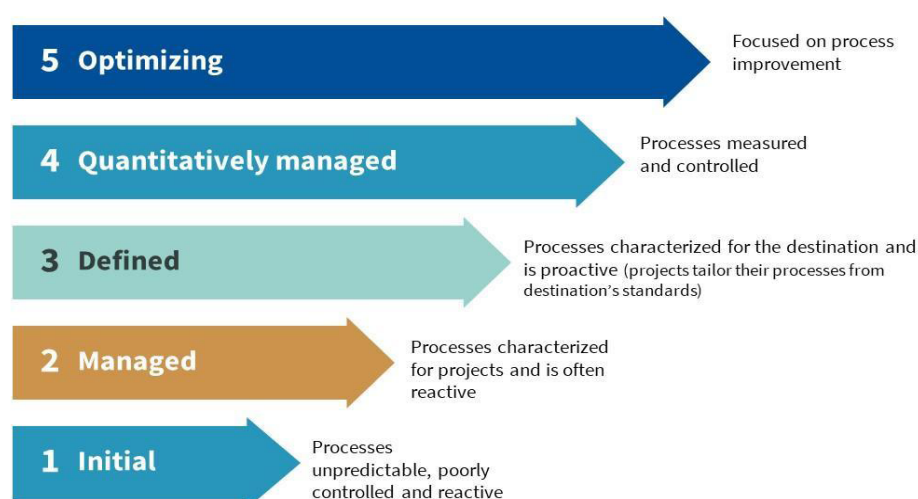
The Capability Maturity Model Integration (Carnegie Mellon)¹⁰⁰ is used as a framework for measuring the maturity of Curaçao's human resource development practices. Today, 16+ years since human resource development was integrated into the overall development plan for the destination, this maturity model is still being used to set priorities, integrate workforce development with process improvement, and to establish quality standards.

The 2005–2009 Tourism Master Plan presented human resource development strategies that were primarily focused on creating awareness and increasing the supply of human capital. Actions were driven largely out of necessity and were insufficiently controlled. There was no evidence of synergy and clear collaboration between the different stakeholders even though the destination was going through a transformative phase. During this period, the human capital maturity of Curaçao's tourism sector was in the 'Initial' state of maturity.

By the end of 2009, total employment generated directly and indirectly by tourism accounted for almost 10,200 jobs. At this time, relevant stakeholders were included in the development process, which enabled the destination to reach a 'Managed' maturity level. Even though there were established development programs, the results were inconsistent.

¹⁰⁰ Humphrey W., Forrester. E.C., Buteau B.L., Shrum S. 2010, Carnegie Mellon University, version 1.3. Published by Addison-Wesley.

Figure 14: Capability Maturity Model Integration



At the end of 2014, the human capital maturity of Curaçao's tourism sector moved towards a more 'Defined' level. However, despite all invested efforts and resources, the sector continued to reveal deficiencies in service quality and delivery at the base, and debilitating coordination and trust issues at supervisory and management level. Initiatives proposed included training and development, and a massive community awareness program.

Even though these initiatives shifted from a reactive to a proactive approach, they still remained siloed. As a result, the human capital maturity level stagnated at a 'Defined' level and has not surpassed this level since.

Today, the importance of human capital development as an integral part of the overall development of the destination continues to be high on the agenda and requires a cohesive approach to accomplish the desired results. This human capital development plan aspires to take the human capital development maturity level to 'Quantitatively Managed'. This requires a data-driven human capital strategy.

This was a component that was lacking in the research of past tourism Master Plans. Upon reviewing past recommendations and actions taken, there was no quantifiable data indicating the results achieved, and the sustainability of the programs.

2.5.7 Short-and Long-term Challenges

Despite a heavy decline in tourism and an unemployment rate of 19 percent in 2020, Curaçao is looking with optimism towards the future. Local and international hotel investment and airlift development show signs of trust in the industry. Anticipated growth in room inventory is expected to account for approximately 4 percent growth¹⁰¹ in direct and indirect employment opportunities by 2023.

Table 28: Labor force /unemployment rates 2010–2020

Year	Population	Labor force	Labor force % of Pop.	Unemployment	Unemployment Rate %
2010	147122	65695	44,7	6383	9,7
2011	150284	68763	45,8	6721	9,8
2012	151378	70884	46,8	8117	11,4
2013	152798	73005	47,8	9512	13,0
2014	154846	67850	43,8	8555	12,6
2015	156971	70021	44,6	8198	11,7
2016	158989	75071	47,2	9953	13,3
2017	160338	73147	45,6	10313	14,1
2018	160012	70153	43,8	9424	13,4
2019	158659	74539	47,0	12992	17,4
2020	156223	70492	45,1	13442	19,1

Source: MEO

With the expected growth in demand, the tourism sector faces two challenges. In the short-term, it will need to improve the quality and quantity of the workforce. In the long-term, the industry must move towards sustainable human capital development. The analysis suggests three separate but integrated concerns regarding the workforce in the industry:

- Focus and prioritization of objectives, collaboration between stakeholders, and taking a sustainable approach towards the execution of identified action plans
- Inability to close the gap between supply and demand on both quantitative and qualitative levels
- Disinterest in working in the tourism industry

¹⁰¹ This is an estimate and subject to change

Table 29: Labor Demand 2015–2019

Employment in Tourism	2,015	2,016	2,017	2,018	2,019
Hotels, Restaurants and Cafes	5,881	5,476	5,425	5,937	6,200
Hotels-1	3,508	3,247	3,245	3,567	3,697
Hotels-2	540	472	409	434	459
Bungalow / resorts	469	469	499	551	586
Apartments	217	210	213	233	245
Restaurants	1,147	1,078	1,059	1,152	1,212
Trade	3,461	3,135	3,097	3,400	3,583
Shops	3,100	2,808	2,890	3,170	3,301
Free zone	361	326	208	230	282
Leisure	622	577	571	619	645
Casino's	148	124	107	111	113
Activities etc.	474	453	465	508	532
Transport	341	318	333	366	382
Car rental	215	205	203	220	231
Taxi	55	48	46	51	53
Busses and other transport	71	65	83	95	97
Total in the tourist sector	10,305	9,507	9,427	10,322	10,810
Total outside the tourist sector	4,606	4,261	4,220	4,616	4,834
	14,911	13,768	13,647	14,938	15,644

Source: MEO

The first concern is evidenced in the low implementation rate of previous Master Plan recommendations in the human capital development area.

One reason for this was the lack of collaboration between stakeholders. Prioritization of these objectives will result in a more sustained approach towards the development of human capital in Curaçao. With tourism being so fragmented and diffused, buy-in from stakeholders will be crucial, as well as outlining who is responsible for implementing specific objectives.

The second concern has to do with the gap between supply and demand as it relates to the skillsets that are needed in the industry. There is a general reluctance to pursue careers in the hospitality sector because its image is characterized as nonacademic, low-skilled, unstable, and requires hard work with low financial returns. Additionally, vocational schools are underfunded, and often offer outdated curricula that are not aligned with the demands of the sector. Workers that these schools deliver to the industry are limited and under-skilled. There is a substantial gap between the associate level and the academic level, making the threshold for continued education too high.

Consequently, the industry is still experiencing a small supply of graduates with specialized skill sets. The rest of the vacancies will have to be filled with those that are accepting jobs solely for the income, creating an influx of unqualified people and a destination service level that does not support the sustainable growth agenda.

The industry needs an integrated workforce and a talent management policy to foster resilience and sustainability. This integrated approach could potentially exist for on-the-job certification and can be instituted via collaborations with renowned international hospitality programs in the Netherlands and other internationally accredited programs in hospitality.

The third concern highlights cultural perceptions among local workers that employment in the industry is neither desirable nor respectable. Additionally, the industry's image has been negatively affected by the COVID-19 pandemic.

The 'Dushi Hende' campaign received significant publicity prior to COVID-19. It is important to continue these types of programs. The local population should be made cognizant of the varied career opportunities available in tourism, as well as the industry's imminent recovery. The success of this communication campaign requires partnerships between the public and the private sector.

2.5.8 Destination Human Capital Development 2022–2026

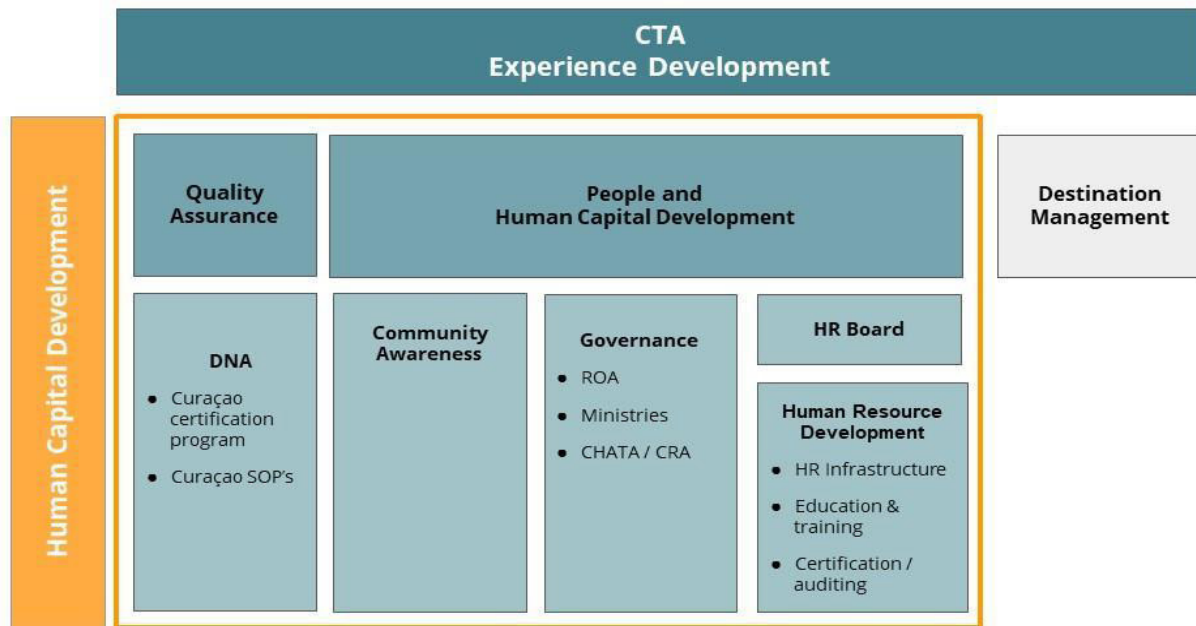
Human capital development requires a new approach that prioritizes the common long-term interests of visitors, businesses, and local residents. All stakeholders must work together to implant this approach in our systems, as well as the use of data insights to enhance resilience and agility and drive continuous improvement. In the DMMO destination framework, these stakeholders are at the center of this approach.



Curaçao has a unique opportunity to establish a destination in which the human capital development strategy will flourish. In the organizational structure, the focus should shift from traditional product development to experience development. Within this tourism authority structure, strategic focus should be on people, quality assurance, community awareness and destination performance management.

2.5.9 Human Capital Development Framework

Figure 15: Human Capital Development Framework



The Human Capital Development Framework provides a foundation on which human capital challenges faced by the sector can be quickly resolved while establishing pathways for continuity and sustainability.

2.5.10 Curaçao Tourism Authority

Within the proposed CTA structure, the Experience Development Department (currently Product Development) will manage, monitor and spearhead the implementation of the Human Capital Development plan. The CTA will be responsible for defining the Curaçao Destination DNA program.

The CTA will have KPIs in place that will provide sophisticated analyses to stakeholders. These KPIs will consist of a number of connected metrics to help achieve the talent requirements identified by the destination. These metrics will include:

- RevPAR¹⁰² to meet the objectives of economic growth and job creation
- Number of certified employees will measure training achievement and skill progress
- Number of audited businesses will measure quality standard achievement
- Quality of life is measured through the number of direct and indirect jobs, the number of youths attaining those jobs and average salaries

¹⁰² Revenue Per Available Room

- Quality of university and professional programs will be assessed through the extent of placement in the job market

Obtaining timely intelligence and operational feedback with which to fine tune or change a course of action is crucial for successful human capital development. In addition, timely feedback is also intended to promote stakeholder buy-in and increase the credibility and reputation of the sector.

2.5.11 Destination DNA

Defining the destination's DNA is a crucial step in Curaçao's journey to optimize the existing tourism product. The destination's DNA must facilitate continuous development of Curaçao's service standards, and enhance human capital development in the industry. The Curaçao DNA— not to be confused with the destination brand—refers to our identity and ambitions, and will serve as a benchmark for executing and measuring the human capital development strategy.

The destination quality standard defines:

- Destination DNA—culture, assets, traditions, people
- Service—standard level of service for the entire island
- Product—minimum quality standard for lodging, tourist attractions, retail etc.

Development programs that will come out of Curaçao DNA component include:

- The Curaçao certification program
- Curaçao standards

The certification program should include components such as Curaçao's history and culture, and service excellence. The program will be reinforced with standard operating procedures to assist employees to reproduce services that are consistent and sustainable. Additionally, it will provide a baseline for minimum service quality standards for businesses, which will be evaluated via performance indicators. The responsibility for these evaluations should be outsourced to guarantee objectivity as well as fast execution and success. It is advisable to involve the local community and stakeholders in the definition of the Curaçao DNA.

2.5.12 Governance

The creation of a governance structure will facilitate collaboration in the sector by coordinating work between the Ministries of Education, Social Affairs, and Economic Affairs.

SER said the Council of Education and Labor's (ROA) structure is ineffective. Bonaire's approach, which includes an advisory board and an operational entity, could provide useful insights to Curaçao. The ROA SBO will execute the programs related to BPO¹⁰³ and will create alignment with stakeholders. The SER, together with ROA can advise the sector on the advantages of introducing a classification system that will work in tandem with the Dutch-orientated classifications.

Entities like the Instituto Nacional Formashon Laboral have investigated opportunities based on the TVET¹⁰⁴ approach. In case of an ROA advisory board and operational entity (ROA SBO), the SER has recommended a change in the name of the ROA advisory board to: Adviescollege voor Toekomst Werk en Educatie (TWE).

2.5.13 Human Resource Development

Human Resource Development will be performed in the sector through:

- HR infrastructure
- Education and training
- Certification and auditing

The sector needs to establish and maintain an HR infrastructure that is driven by real-time qualitative data. Categories should include:

- Workforce: current employees, turnover rates, reason for leaving the company, promotions, open positions, ratio of local/international employees
- Vacancy bank: a central platform to post vacancies¹⁰⁵
- Training and education: percentage of training completed, and needs analysis of the sector
- Certification and auditing: scores and percentage

103 Beroeps Praktijk Opleiding (Practical Vocational Training)

104 Technical and Vocational Education and Training, Jamaica

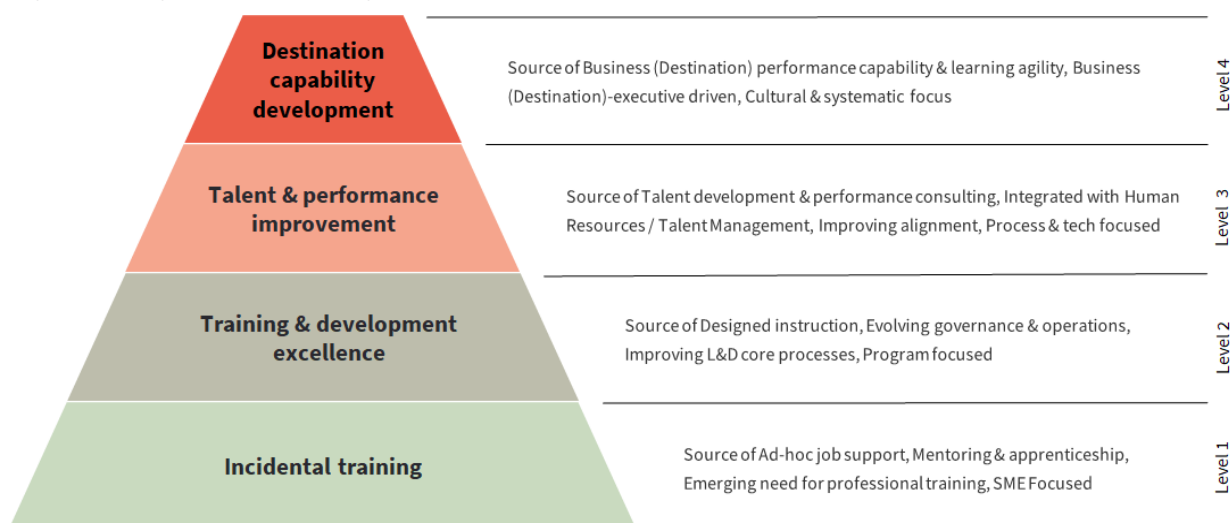
105 A great example is sterrenzoekensterren.nl

Curaçao should take an integrated approach to education and training. The main characteristic of this strategy is the high level of agility it will foster, thereby enabling the destination to respond to ever-changing needs. It will also make it easier for key stakeholders to measure and predict future outcomes.

This means that:

- Training and development activities should be based on priorities identified by the sector
- There should be service training and certification to sustain quality standards for the destination
- Emphasis should be placed on leadership development
- Continuous inventory of the sector's needs is necessary to adapt this approach
- Management development programs should be available for university level students
- Quality internships should be offered
- Collaboration with an international institute like ROC¹⁰⁶ would be desirable to improve the quality of local curricula

Figure 16: High Impact Learning Model¹⁰⁷



Another priority is the need to establish a job skills certification program for essential positions in the industry. For example, a Cook level 1 and level 2 program, or a bartending certification program. Auditing these programs, and analyzing the outcome (ROI) of all actions should provide the required intelligence needed to make adjustments in the event that the results of specific approaches are unsatisfactory. Collaboration with an ROC will significantly strengthen this effort.

¹⁰⁶ Regionaal Opleidingscentrum, Holland

¹⁰⁷ High Impact Learning Model, 2017, Bersin, Deloitte.

2.5.14 HR Board

The HR Board will be mainly responsible for monitoring and evaluating actions that take place at the human resource development level. The Board's work should be guided by Key Performance Indicators that are in sync with CTA's overall development strategy.

The HR Board will provide input for the CTA to act as an advocate regarding the flexibilization of labor laws and taxes.

2.5.15 Key Capital Strategic Objectives and Priorities

The framework presented in this document aims to empower sustainable human capital development in Curaçao. Recurrent challenges encountered over the past 15 years have been consolidated and compared to current and future needs.

"Turismo pa nos tur" implies that tourism should be for everyone in the community, and should be experienced as a way to explicitly contribute to solutions for important social issues that serve the public interest.

Table 30: Strategic Objectives— Development Priorities

Strategic Objectives	Development Priorities
Sustainable Human Capital Development (future employment)	<ul style="list-style-type: none"> • Introduction of the Curaçao standard • Deploy a PR / community awareness campaign • Introduction of tourism programs in education curriculum
Tourism is rewarding for everybody involved (unemployment / salaries / long term career perspective)	<ul style="list-style-type: none"> • Continuous education and training programs • Explore remuneration package and salary scales • Explore labor laws • HRIS / data driven with a focus on ROI
Alignment with UNWTO sustainable tourism goals) 4-8	<ul style="list-style-type: none"> • Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all • Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all • Retraining programs for unemployed citizens • Creating opportunities for growth
Breaking the cycle and creating a new mindset (moving forward or growing as a destination)	<ul style="list-style-type: none"> • Curaçao tourism as #1 priority (recognition in ministries) • Implementation of a CTA • Introduction of a HCD Plan / HR advisory board • Collaboration between stakeholders (ROA/ ROA SBO) • Collaboration and exchange with foreign institutes (ROC)

2.6 COMMUNITY AWARENESS AND ENGAGEMENT

2.6.1 Introduction

Worldwide, tourists visit communities to see monuments, to learn about local practices and to interact with everyday people. Communities benefit from economic activities and improved social services that are generated in the sector. However, tourism activities sometimes damage or exhaust local resources. Communities' satisfaction with the impacts of tourism on their environment and values is critical for sustainability.¹⁰⁸

Post COVID-19 development of the tourism sector needs to be inclusive. Benefits should be shared widely to meet the needs of local communities. This can be achieved through a fairer development model that involves stakeholders at different levels and provides decent working conditions and opportunities for all, including migrants and indigenous communities.

Inclusion of the local community in determining Curaçao's Destination DNA will set the stage for collaboration and collective responsibility. It will showcase their diversity and concretize their interest in contributing to the sustainable development of the sector.

Tourism's role as a catalyst for inclusive community development is often undervalued in policy formulation and implementation. Better planning and more community engagement are required.¹⁰⁹

The hospitality and tourism sector has the potential to diversify local communities' economies and improve residents' quality of life.¹¹⁰

The people of Curaçao are indispensable to the island's tourism product. Engagement of the local community towards tourism is a key.

108 Indicators of Sustainable Development for Tourism Destinations - A Guidebook, WTO, 2014

109 WTO, (2014). UNWTO Annual Report 2014.

110 Daal, D., (2017). Impact of Tourism on the Quality of Life of Residents. The Case of Curaçao. Doctorate in Business Administration, ICUC.

2.6.2 Corroborated Level of Tourism Awareness

In 2006, CTB conducted an intercept study to canvass local knowledge and perceptions of Curaçao's tourism industry. At that time, 68 percent of the local population felt that tourism was very important for the island's economy. With respect to the benefits, 63 percent stated that the community benefits from tourism, and 36 percent stated that the community does not benefit.¹¹¹

In a study commissioned by CTB in 2014, 72 percent of the respondents (n = 523) were aware of the 'Dushi Hende' awareness campaign that CTB undertook in 2013 and 2014. When asked about the 'Dushi Hende' campaign's contribution to the community, almost two thirds (63.6 percent) thought the campaign improved the community's behavior towards tourists.¹¹²

A 2019 version of this study examined the effectiveness of the 'Korsou ta dushi. Bib'é. Stim'é,' campaign and found that 66 percent of the respondents were aware of the campaign.¹¹³

The results from various studies underscore why internal branding/marketing is so important to residents' awareness of their responsibility to the development of tourism, and realization that they are the sector's primary beneficiaries. This understanding will create a positive spiral in the growth of tourism on the island.

111 CTB Intercept Study. (2006). Local residents' attitude and perception toward tourism. Bearingpoint Consultants

112 Study CTB & UoC Attitude Local Residents Sustainable Tourism, December 2014

113 Inter-Continental University of the Caribbean (ICUC), October, 2019. Research Study on the Effectiveness of the National Awareness Campaign.

2.6.3 Next Echelon of Tourism Awareness

The three previous Tourism Master Plans noted that the CTB has fostered positive awareness for many years.

CTB has achieved this by:

- Promoting knowledge and understanding and positive attitudes towards tourism
- Promoting the pursuit of careers in the industry
- Promoting community-based tourism initiatives
- Promoting environmental awareness

In addition, many pragmatic activities have been implemented throughout the years, including:

- Standard mandatory tourism awareness module which was included in the curriculum for all secondary school students
- Essay and poster competitions, and mini-business enterprise competitions for schools
- Community tourism awards scheme
- Funding to support small local environmental initiatives
- Tourism awareness training days for officials who deal with tourists

These initiatives and actions need to be coordinated with the Destination DNA, as indicated in section 2.5.11. Relevant stakeholders should jointly pursue a higher echelon of tourism awareness and engagement.

The higher echelon of tourism awareness involves giving residents a voice in decision-making processes.

2.6.4 Creating Community Engagement

CTB needs to use different platforms to get the conversation going and to create a sense of community around the importance of tourism for the island. These platforms should include round table discussions, specific assignments for students at different school levels, in-depth dialogues on Curaçao's culture, crowdsourcing; and social media discussion panels.

When composing community round tables the following criteria should be considered:

- Diversity of age and gender
- Expertise and background
- Experience level
- Cultural and artistic representation
- Cross-sector balance

Information should be gathered around the following questions:

- Who are we and what do we stand for?
- What behaviors would we like visitors to experience from our community?
- How are we going to implement these behaviors ?
- Which aspects of our cultural heritage should we highlight?
- What are the best ways to reach the community of Curaçao?

Community awareness programs need to highlight the value of tourism for the community (“Turismo pa tur”). The programs should reflect:

- the number of people employed
- success stories and model behavior (‘Dushi hende’)
- sharing feedback of visitors

2.6.5 Indicators of Success

For the purpose of benchmarking, we recommend using the following indicators to measure the effectiveness of campaigns:

- Community satisfaction and attitudes towards tourism
- Problems or dissatisfaction based on the number of complaints by local residents
- Social benefits associated with tourism based on the percentage of people who believe tourism brought new services or infrastructure
- The level of institutional support
- A working relationship with a strong NGO or with government agencies
- Access rights and/or equitable participation of the community in the management of tourism resources
- Involvement of a cross-section of stakeholders in tourism planning
- Support for marketing campaigns

2.7 ENSURE SUSTAINABLE FUNDING

2.7.1 Introduction

All three Tourism Master Plans have reiterated the need for CTB to have adequate funds to improve growth rates and to reach new source markets. The UCF Tourism Masterplan noted that this will require an estimated USD\$40 million over a span of five years, just for the U.S. market.

Table 33 shows that for the past 10 years, CTB's budgets have not been sufficient to maximize its potential in the islands' key source markets.

Table 31: Total Overview

total overview

Year	Stayover visitors	Room tax collected	Total economic impact (x ANG 1000)	CTB budget
2010	342,167	ANG 7,971,169	ANG 1,533,944	ANG 29,000,000
2011	388,266	ANG 8,984,283	ANG 1,740,608	ANG 30,000,000
2012	421,875	ANG 11,637,319	ANG 1,891,278	ANG 30,000,000
2013	444,384	ANG 10,602,400	ANG 1,948,951	ANG 31,000,000
2014	461,396	ANG 11,713,386	ANG 2,074,921	ANG 32,000,000
2015	467,538	ANG 16,400,000	ANG 1,956,612	ANG 34,000,000
2016	441,329	ANG 15,325,059	ANG 1,827,999	ANG 35,000,000
2017	399,013	ANG 15,587,285	ANG 1,805,040	ANG 36,000,000
2018	431,712	ANG 17,080,593	ANG 1,984,703	ANG 36,000,000
2019	463,683	ANG 17,816,942	ANG 2,160,000	ANG 37,000,000
2020	174,873	ANG 8,544,634	ANG 1,053,000	ANG 27,000,000

Source: CTB

2.7.2 The Need for Alternative Revenue Streams

Prior to COVID-19, CTB encountered significant challenges in obtaining adequate funding and the pandemic has exacerbated these challenges. The proposed restructured CTB will pursue funding beyond the traditional government subsidy and room tax, which is anticipated to decrease in 2022 and 2023.

The proposed restructured CTB needs to go beyond traditional revenue streams and engage 'non-traditional' tourism partners. In 5 years, once the proposed restructured CTB is successful in obtaining alternative revenue streams, the traditional government subsidy could be substantially reduced. The government will then be able to allocate this fund in other key areas.



2.7.3 Tourism Development Fee

The proposed 'Tourism Development Fee' can be collected via IATA and placed into a fund from which investment and marketing activities of the proposed restructured CTB will be financed. This fund, as is the case in Aruba and Jamaica, can be fueled in the future partly by the tourist tax (OB/former guest tax).¹¹⁴

The proposed restructured CTB should assume a leading role in advancing the legislative process to establish a legal basis for the introduction of a Tourism Development Fee, so as to enable the entity to achieve financial independence.

The development fee will be applicable only to prospective visitors arriving by air from overseas destinations, excluding the former Netherlands Antilles (Aruba, Bonaire, St. Maarten). This fee should be paid directly to the proposed restructured CTB. The target/projected period for the fee to be introduced is the first quarter of 2022.

2.7.4 Dedicated Staff at Tax Receiver's Office

With the projected increase in stayover visitors from 2021 to 2023, the proposed restructured CTB will be able to collect between Ang 12 million (2022) and 15 million (2023).¹¹⁵

To be able to coordinate the activities regarding room tax, the proposed restructured CTB should appoint a dedicated staff at the Tax Receiver's Office to work exclusively on CTB's behalf.

¹¹⁴ Both islands have what is commonly called a Tourism Enhancement Fund.

¹¹⁵ These figures are subject to change.

Once this person is assigned, it is likely that the administration of the room tax/sales tax on rooms will be managed more efficiently. The employee should report directly to the proposed restructured CTB.

2.7.5 Introduce legislation ‘Level Playing Field’

The Ministry of Economic Development (MEO) is working on the ‘Level Playing Field’ law which will oblige all private accommodations that are rented to tourists to register with the government.

Upon registration, all accommodations will be required to pay the room tax. This legislation will hopefully boost the compliance of payments of room tax by the private accommodations. The government also needs to finalize an agreement with AirBnB, via which AirBnB will collect and remit the room tax on behalf of their hosts. MEO needs to move forward with the ‘Level Playing Field’ legislation to guarantee additional revenue streams from all private accommodations for the proposed restructured CTB. This will help CTB gain financial independence.

2.7.6 Create an Emergency Fund for Marketing Promotion

This fund will be used to support crisis communication and damage control campaigns.

2.8 INSTITUTIONAL AND REGULATORY FRAMEWORK

2.8.1 Institutional Framework—Introduction

Governments can make significant contributions to the success of hospitality and tourism sectors if their policies support sustainable tourism development. Sometimes well-intentioned policies fail to have the desired effects because of red tape, corruption and poor coordination between agencies that are doing similar work.

The Government of Curaçao needs to facilitate improvement of the regulatory framework for the industry. To achieve this, the government and relevant stakeholders should restructure CTB, based on the advice of the Curaçao Tourism Authority (CTA) committee. In these challenging times, the island needs inclusive systems that will ensure financial stability and sustainability.

All three previous Tourism Master Plans argued for much needed changes in the organization's structure. Halcrow/CHL (2010–2014) recommended an internal reorganization of CTB's functions. UCF (the Dick Pope Sr. Institute for Tourism Studies (DPITS) at the Rosen College of Hospitality Management/2015 - 2020) advised the CTB to be more flexible and market-oriented and that the organization's many responsibilities have hampered its overall performance and success. To address these issues it is imperative need to implement the recommendations in this Plan.

2.8.2 The Need for a Tourism Authority

The consultants contacted Tourism Authorities in Jamaica, Barbados, the Bahamas, and Aruba for insights regarding the merits of establishing a Tourism Authority in Curaçao. The reasons that stood out were:

- Pooling of both public and private tourism interests among the island's tourism partners
- An increase in the organization's operational effectiveness
- A greater degree of financial independence

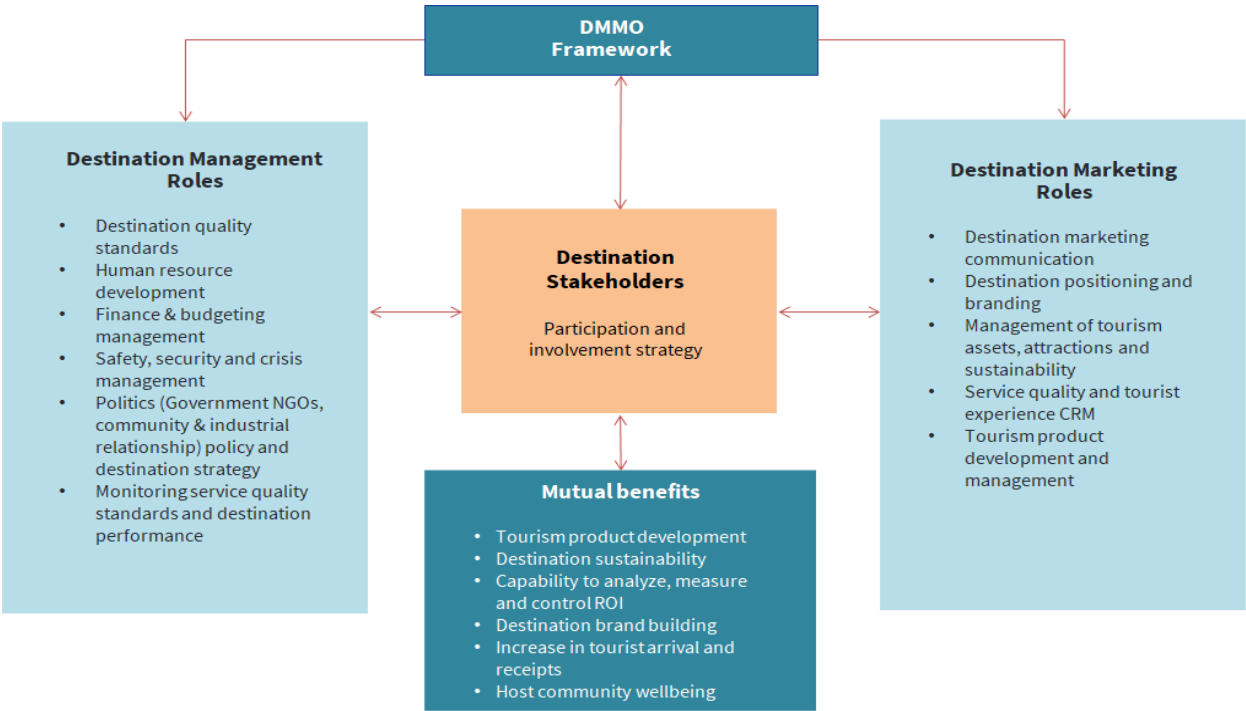
In terms of its structure, in recent years, a change towards a more integrated destination organization and its prospects for a better position in highly competitive tourist markets have emerged. This enhancement occurred through a switch to a Destination Management and Marketing Organization (DMMO).

Either a Destination Management Organization (DMO) or a Destination Management and Marketing Organization (DMMO) can help Curaçao to achieve its goals for the tourism industry.¹¹⁶ A DMO markets a destination primarily on its own. A DMMO does its work in close cooperation with public authorities and other stakeholders, including local community¹¹⁷ (see figure 17).

116 S. Timareva, S., Arabska, E., Shopova, I. (2015). Role of Destination Management and Marketing Organizations in Regional Development. *Trakia Journal of Sciences*, Vol. 13, Suppl. 1, pp 96-102.

117 A DMMO not only promotes a specific destination, but also supports community development projects that bring long-term benefits.

Figure 17: DMMO Framework



On October 10, 2019, the Council of Ministers commissioned an advisory committee to explore the requirements for setting up the Curaçao Tourism Authority as a replacement for CTB. The committee was comprised of members of CTB, the Ministry of Economic Development (MEO), the Curaçao Hospitality and Tourism Association (CHATA), and the Ministry of Finance.

The committee submitted its report to the Minister of Economic Development on January 31, 2020.

The committee reached the following conclusion:
Given the preconditions, challenges and the desire for financial independence, the committee recommends the new tourism organization, maintaining its current legal form, i.e. a foundation, with a change of articles of association, to be the most appropriate and recommended option. This option does not entail any financial consequences for the government.¹¹⁸

The CTA will be a more authoritative and independent body with a broader scope of responsibilities and tools to develop the tourism sector in a sustainable manner.

118 Curaçao Tourism Authority Committee Report, January 31, 2020

2.8.3 Curaçao Tourism Authority (CTA): Vision and Mission



Vision

To position Curaçao as the premier Caribbean destination, known for the diversity of its tourism offerings, thereby strengthening the linkage between tourism and other sectors of the economy with the view to achieve sustainable development and to provide a high quality of life for citizens.



Mission

To create distinctive tourism experiences and to achieve sustained growth in arrivals as well as increased visitor expenditure over the next five years.

Functionality

As the Destination Marketing and Management Organization for Curaçao, CTA will promote the destination using a structured advocacy agenda, facilitate high-quality development of the tourism product, and create a vibrant tourism industry by engaging with internal and external stakeholders.

2.8.4 Tasks, Responsibilities and Competencies

The Curaçao Tourism Authority (CTA) will operate as an advisory and executive organization in the field of tourism. CTA will be responsible for policy implementation, while policy development and formulation will remain a core responsibility of the government.¹¹⁹

Tasks

CTA's tasks will include:

- Marketing/promotional and awareness programs
- Supporting and initiating initiatives to improve tourists' experience
- Advising the government on the implementation of tourism policy
- Collecting and reporting data and highlighting trends

Responsibilities

- Spearheading branding and marketing campaigns
- Market intelligence: providing information, market scan by country, profiles of tourist and target groups, customer journey, competitor evaluation/analysis
- Attracting and retaining airlift and cruise lines for tourist development

119 Report by the Curaçao Tourism Authority committee, January 2020

Competencies

Overview of the powers:

- The Minister of Economic Development's requested solicited and/ or unsolicited advice on the implementation of the tourism policy
- Setting minimum quality standards for the tourism product
- Carry out audits of the tourism product

As per the decision of the Council of Ministers (RvM 2020/9052), CTB has started to execute the plan of action (7 steps) with respect to the transformation of the Curaçao Tourist Board to the Curaçao Tourism Authority. However, no meaningful progress has been achieved as yet. Therefore, the implementation/project manager should be tasked with guiding the implementation of the STDDP as well as the CTA action plan.

2.8.5 Regulatory Framework

2.8.5.1 Introduction

There are some key regulatory and legal impediments—such as the subsidy regulation (e.g. 'Subsidieverordening'), along with possible consequences if more financial restrictions are introduced— that may influence the legal and financial context in which CTB operates.

In the case of the subsidy regulation, the national ordinance from 2016 may change in the event of a transfer of a management agreement in which the implementation is described.

With respect to the CFT, Curaçao is under financial supervision which may bear consequences for the proposed restructured CTB because of its public sector identity. The CFT often indicates that government entities pose a major risk to sound financial management. As such, sustainable funding for the proposed restructured CTB may be at risk in the foreseeable future, especially if more financial restrictions are introduced by CFT. As a result, it is imperative for the proposed restructured CTB to identify future risks and to fervently pursue alternative revenue streams.

2.8.6 The Need for a Tourism Law for Curaçao

The whole sector needs to be restructured so that it will be able to manage and sustain future growth. The Ministry of Economic Development's (MEO) tourism law will contribute to this. Among other things, it will:

- Designate an organization to carry out specific tasks (CTA)
- Provide the basis for the regulation of sub-sectors, including diving, tour guides and accommodation
- Introduce of new charges/revenue streams to finance the development of the sector

With regards to the first objective, a committee formed in 2019, proposed that CTB should be restructured and relaunched as the Curaçao Tourism Authority (CTA). The CTA will be structured around strong public-private partnerships and will enable an institutional and regulatory framework which will result in sustainable tourism development and financial sustainability (see section 2.8.3 and 2.8.4).

The regulatory environment will include the establishment of licensing and quality standards for tourist activities. Some concrete actions are required to determine the list of regulation areas for the Curaçao Tourism Law.

Part III

Action Program



3.1 IMPLEMENTATION ACTION PROGRAM 2022 – 2026

An analysis of the three previous Master Plans ¹²⁰ revealed that out of 106 action steps that were recommended, only 28 (26 percent) were completed. CTB paid a substantial amount to produce these plans. Given our dire economic reality, we cannot afford any failure with regards to the implementation of the recommendations of the STDDP, 2022–2026.

In the consultative sessions that were held to gather data for this plan, key stakeholders in the industry filled out a questionnaire regarding the implementation of the STDDP. In their responses, they noted several issues/areas that are indispensable to the successful implementation of the STDDP. These include: management of the sector (26.9 percent); product improvement (13.5 percent); branding of the destination (13.5 percent); finance to fund marketing campaigns and product development (12.4 percent); and the quality of product development (12.4 percent).

Nearly half of the respondents (45.9 percent) expressed a desire to see key projects implemented within a short timeframe (i.e. 1–2 years), especially in critical areas such as branding (15.8 percent), education (13.2 percent), and product development (13.2 percent).

It is important that the implementation of the STDDP, 2022–2026, is coordinated and directed by an implementation/project manager, in close consultation with direct and indirect stakeholders. The implementation/project manager needs to be a senior professional with strategic insight and vast experience in the hospitality and tourism industry. The responsibility of the implementation/project manager will be to initiate, guide and coordinate STDDP implementation.

120 Deloitte 2005–2009, Halcrow International/CHL 2010–2014 and UCF 2015–2020

The implementation/project manager's tasks will include:

- liaising with relevant government departments and agencies involved in the implementation of the plan
- coordinating the execution of all the STDDP strategic tourism planning areas on specific inputs and work elements
- working with donor agencies to coordinate resources

The implementation/project manager will be assisted by consultants when needed and by a permanent secretary.

It is also recommended to establish STDDP evaluation task force with top-level public and private sectors representatives (maximum 5 individuals) who will be responsible for periodically assessing the progress of the implementation of the STDDP.

The implementation/project manager will provide monthly reports on the implementation process to Senior Management, CTB Board, and the Council of Ministers.

3.2 MATRIX ACTION PROGRAM 2022–2026

A summary list of the actions to be taken from 2022 to 2026 in implementing the Strategic Tourism Destination Development Plan is presented in Appendix A. The plan includes an overview of the eight strategic tourism planning areas to be executed during the period of the STDDP.

The areas are:

- Destination marketing
- Experience-led product development
- Airlift development
- Cruise tourism
- Human capital development
- Community awareness and engagement
- Ensuring financing
- Institutional and regulatory framework

The criteria for evaluation include:

- The strategic objectives
- Specific actions
- Key Performance Indicators (KPI's) to measure the actions
- Actions by specific entities
- Role of the proposed restructured CTB
- Target groups
- Time periods for execution
- Budgets assigned

Our recommendation is that we should pursue at least 10 of the proposed actions for the years 2022 and 2023. Some of the actions will require financial commitment while others will not.

CTB's marketing budget is not included in Appendix A. In the section on Ensuring Sustainable Financing (section 2.7), a more elaborate description is provided on the alternative revenue streams that will enable CTB to sustainably market the island.

3.3 MONITORING SCHEME

Annual CTB Business Plans

The proposed restructured CTB will present a Business Plan each year that will outline its efforts to reach its objectives for the subsequent year. This Business Plan will be submitted to Senior Management and the CTB Board for approval.

The implementation/project manager will consult with CTB management to ensure that the objectives and actions of the STDDP are included in the Business Plan. The manager will also initiate and take timely corrective actions when required.

The manager will produce progress reports for key local stakeholders. Information will also be shared in other forums to inform the wider community of the STDDP's progress.

3.4 STDDP Implementation Task Force

The STDDP evaluation (implementation) task force will, in addition to the proposed restructured CTB, consist of representatives from CHATA, MEO, VVRP, and OWCS. This group will meet monthly to evaluate successes and challenges and to recommend corrective actions when appropriate. Reports from these evaluation meetings will be presented to the Council of Ministers, CTB Board and Senior Management.

APPENDIX A:

ACTION PLAN STDDP 2022 - 2026

APPENDIX B: Acknowledgements

We would like to convey our sincere gratitude to a wide number of entities and persons who contributed to the completion of the Strategic Tourism Destination Development Plan 2022– 2026. Thanks to Paul Kok and Tirza Garmers who were instrumental in the preparation of the Human Capital Development chapter, and to Dr. James Hepple who shared key marketing data.

In addition, we would like to recognize the valuable contributions of CTB Senior Management and staff, industry stakeholders and others. We acquired crucial insights from their critical feedback and constructive comments in the preparation phase of this Plan.

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Raquel Trenidad

Swetlana Schotborgh

Millicent Mambi

Central Bureau of Statistics

Roland Dreischor

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Ronny Lobo

Education dept Government/RKSC/VPCO/DOS/UoC-IH & TM

Wladimir Kleinmoedig

Royla Pierre

Maghalie van der Bunt-George

Reginald Römer

Randolph Camelia

Pamela Rusch

KPC/Politur

Elbert Sambo

Sharetti Bryan

Humphrey Jozefa

Sociaal Economische Raad

Raul Henriquez

Miloushka-Sboui-Racamy

Sharlyn Curial-Villarreal

Barbara Perquin

Jean-Claude Overman (stagiaire)

Other

Sambil

Jandino Asporaat

Irene Dick

Jair Josephina

APPENDIX C:

Schedule dates and time periods Consultative Sessions

Dates & Timeperiods Consultative Sessions

Timeperiod	Day				
	Monday - May 24	Tuesday - May 25	Wednesday - May 26	Thursday - May 27	Friday - May 28
08:00 to 09:00			08:00 to 09:00 Accommodation sector - CHATA ---> maria-helena@chata.org, CASHA ---> dirk_gerlinde@hotmail.com and casha.apartments@gmail.com	08:00 to 09:00 Industry Union/Horecaf ---> Valpoort: keneuval@gmail.com	08:00 - 09:30 OWCS ---> Wladimir Kleinmoedig ---> wladimir.kleinmoedig@gobiernu.cw ; SOAW - School Boards: RKCS ---> ; DOS - reginald.romer@gobiernu.cw ; VPCO - mvanderbunt@vpco.org ; UoC - Marvis Koeiman <m.koeiman@uoc.cw>; ICUC - Sidney Justiana \ICUC\ <s.justiana@icuc.org>

09:10 to 10:00	CBCS: Mr. Jose Jardim, Executive Director - j.jardim@centralbank.cw & Mrs. Candice Henriquez, Head Economic Analysis & Research Department c.henriquez@centralbank.cw CBS ---> Mr. Sean de Boer, Exe. Director CBS - sean.deboer@gobiernu.cw	MEO---> Mrs. Zulaika Mook (Director sector Economic Development & Innovation): zulaika.mook@gobiernu.cw - Mrs. Chiquita Groenewoud-Kotzebue (policy advisor sector Economic Devpm & Innovation): chiquita.kotzebue@gobiernu.cw - Mrs. Irainety Copra (policy advisor sector Economic Development & Innovation): irainety.copra@gobiernu.cw - Mr. Luelo Girigorie	Aviation: CAP ---> Peggy Croes ---> Peggy Croes <MCroes@curacao-airport.com>; CAH: w.ignacio@ca-holding.com ; Molina ---> gmolina@ca-holding.com	Culture/National Heritage sector: Culture dept. ---> lizette.sambovelder@gobiernu.cw and sectordirecteur.ucs@gmail.com Association of Museums ---> Marlon Reina ---> marlon.reina@gmail.com	Informative Session (09:15 - 10:30); 1. Judicial Authority: SG Minister Justice ---> Desiree.lai-promes@gobiernu.cw and "Gerald daantje@gobiernu.cw; Police ---> raymond.ellis@polis.cw and raymondpellis@gmail.com, Politur ---> ...; Customs -> "Soraya POLS-STRICK" <Soraya.POLS-STRICK@gov.an>
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10:10 to 11:00	Selected CTB Mgrs. ---> Only department heads & S D & P (all 3 employees)	Infrastructure group VVRP (incl. DOW & Domeinbeheer): Dwigno Puriel: Dwigno.Puriel@gobiernu.cw, Caroline.Manuel@gobiernu.cw,	Cruise Tourism sector - CPA, Shipping agents ---> Humberto de Castro: H.deCastro@curports.com & Raul Manotas: R.Manotas@curports.com ; Shipping agents ---> maduroship@madurosans.com	Community - - Unidat di Barrio; Fundashon Seri di Otrobanda/Kurt Schoop -> schoop@unu.cw or kdschoop@hotmail.com ; Boka Sami/Marlon Regales -> marlonregales@gmail.com & Jacintha Constancia -> amigaconstancia73@gmail.com; Willibrordus/Marva Wawoe -> thesaint2525@hotmail.com or williwoodeexperience@gmail.com ; Gairi Lourens/Fundashon Desaroyo Playanan Westpunt -> ; Emlyn Pietersz/WTGo -> emlyn.pietersz@gmail.com, Ryan Quinland --->	08:00 - 09:00 Utilities/Aqualectra ---> Darick Janis ---> djanis@aqualectra.com and Neysa Isenia ---> nisenia@aqualectra.com or neysaisenia@gmail.com ; Dutch Representative, Mr. Arkenbout ---> Erwin.Arkenbout@minbzk.nl and Jessica.Keetelaar@minbzk.nl
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11:10 to 12:00		Transportation sector: Tourbus --> management@funbini.com and mark.verburg@fbtt.com & glen@fiestatourscuracao.com, Taxi - Sinusta, Mayra Medina --> mayricster@gmail.com: TSA - hubert.hart@thirtyste.com), VVRP (Doran: Melvin.Doran@gobiernu.cw/meldor0713@gmail.com, Angela:Lernnerth.Angela@gobiernu.cw & Tamara.capella@gobiernu.cw)	Business sector: a.o. Chamber of Commerce: Billy Jonckheer <billy@gojad.com>, Mr. John Jacobs --> management@curacao-chamber.cw; VBC: Mr. Reinold Curiel, Interim President at vbcuracao@gmail.com and , DMO - mahesh@freeportjewelers.com ; SKO -> jseibald@wavecuracao.com ; CRA -> zenocirckens@me.com; Curacao Free Zone --> ; Financial Institutions (banking Ass. --> MD@cifc-curacao.com; Insurance Ass. -->	Group X: Environmental - Defensa Ambiental --> Lloyd Narain <loraynara@gmail.com> , Amigu di Tera --> amiguditera@gmail.com , Promo, DCOMOMO --> ronnylobo@gmail.com , National Park Authority w/ Paul Stokkermans --> p.stokkermans@carmabi.org; GMN - Mr. Sharlon Melfor : Sharlon.Melfor@gobiernu.cw	
LUNCH	CTB Board --> 3 Board members --> Need to send Menu of sandwiches				

APPENDIX D:

Questionnaire Consultative Sessions

- 1. Name/department of Organization:**

- 2. How would you describe your organization's role in the development of Curaçao's tourism?**
 - a. Critical**
 - b. Very important**
 - c. Important**
 - d. Neutral**

- 3. How has your organization contributed to tourism development in the past? (please provide the time frame)**

- 4. Do you think your contributions have been effective?**

Yes, why

No, why

5. Name the issues/areas that you consider are key in the success of the implementation of the Destination Development plan
6. List these issues/areas in terms of the priority of implementation of the Destination Development plan
 - a. Short term (1-2 years)
 - b. Middle term (3-5 years)
 - c. Long term (more than 5 years)
7. How do you see the role of your organization in tackling these issues?
8. How would rate today's session, and why ?
 1. Very Useful,.....
 2. Useful,.....
 3. Neutral,.....
 4. Not useful,.....
 5. Don't know/no comment,.....

9. Once the Destination Development plan is approved and adopted, how often would you recommend to continue to maintain these consultative sessions during implementation ?

1. Monthly

2. Quarterly

3. Bi-annually

4. Annually

APPENDIX E:

Experience Creation and Development Model

Step 1: Market-Readiness Diagnosis: Conducted in tandem with *Step 2: Market-Product Match*, involves assessment of the destination and the private and public-sector organizations that currently or which could deliver immersive local travel experiences. At the destination level, the diagnosis considers the Sustainable Livelihood measures of Natural, Social, Human, Financial and Physical Capital. At the organization level, the 'market-ready' criteria are used to assess experience providers (in-destination tours and activities suppliers) according to their level of product and operational market readiness, and are categorized into Start Up, Market Ready or Export Market Ready tiers.

Step 2: Market-Product Match: Uses a market-led approach that focuses on what the target travelers want, instead of the traditional demand side focused product-market match approach. The process uses Sustainable Livelihoods, market demand, product supply, and community values compatibility measures to assess the strength of the market-product match. In addition, a competitive analysis is conducted. Ideal guest profiles also are prepared.

Step 3: Experience Design & Development: Uses a detailed methodology for envisioning, developing and marketing immersive experiences based on what visitors want, as determined by the findings of the market-product match. A coaching-focused approach and training 'toolkits' are used to develop the experience and professionalize the providers.

Step 4: Marketing: Appropriate and targeted marketing actions are undertaken according to each individual supplier's level of market readiness, the outcomes of the market-product match and ideal guest analyses, and the results of the experience design and development process. For example, only Export Market Ready businesses would be sold to international travel markets. Visitor Market Ready businesses would likely be sold only to domestic and less-demanding market segments.

Need/Current Situation	Action Step Recommendations
BUSINESS MARKET READINESS DIAGNOSIS	
MARKET READY GUIDELINES: The travelers making up the experiential travel market are increasingly discerning. Product and business excellence is critical to attracting and developing the market. As the foundation, market ready guidelines for experiential travel in Curaçao are needed.	<p>Complete development and pilot testing of Curaçao Experiential Travel Market-Ready Guidelines to include:</p> <ul style="list-style-type: none"> • Business, product and marketing guidelines based on the export ready requirements of the international experiential travel market. Consult with public and private sector to determine appropriate guidelines. • Since the cultural patrimony is central to experiential tourism in Curaçao, consider the inclusion of cultural authenticity guidelines for cultural experiences as part of the market-ready guidelines. • Since natural patrimony also is central to experiential tourism in Curaçao, consider the inclusion of environmental guidelines for nature experiences in the market-ready guidelines.
BASELINE DIAGNOSIS: The market-ready model provides a systematized product development and marketing approach. In order to measure and monitor progress, the baseline situation must first be determined as it pertains to existing product, business and destination readiness.	<p>Conduct market readiness assessment of the enterprises that have participated in the experiential travel development program to date (both 2016 and 2018 trainings). Also, evaluate new enterprises that come into the program. Determine the market readiness level of each enterprise – Start Up, Market Ready or Export Market Ready. The assessment to include:</p> <ul style="list-style-type: none"> • Product readiness – assess products according to experiential travel product design considerations and the product readiness guidelines developed for the Curaçao experiential travel segment. May include assessment related to cultural authenticity and environmental guidelines. • Business readiness – assess legal status and operational capabilities of the businesses/other organizations providing existing experiential travel experiences. • Marketing readiness – assess experiential travel knowledge and operational capabilities of the businesses/other organizations as they pertain to the tourism industry requirements for marketing to the international travel trade and other sales channels. <p>To make the process easier for CTB and the enterprises, CTB could develop a self-assessment website similar to the Market Ready Mexico one http://www.marketreadmexico.com/auto-evaluacion-empresas.</p>
MARKET-PRODUCT MATCH	
MARKET RESEARCH: Market research is required to prepare the Market-Ready guidelines, the Baseline Diagnosis and the Market-Product Match components of the Market-Ready model. The research on the experiential travel market contained in this concept note is a useful start. However, better research is needed to understand the current and future market situation specific to experiential travel development in Curaçao.	<p>When the Curaçao Tourist Board conducts marketing research including Exit Surveys, Stay Over Visitor Surveys, etc. information should be collected on the experiential travel market situation in Curaçao. Quantitative and qualitative research should be conducted to gain a better understanding of awareness, perceptions and interest of Curaçao visitors in experiential travel. A key goal is to develop a profile of the traveler interested in a locally immersive travel experience – What specific experiences is this particular traveler interested in? In what style, format or nature of delivery? What are their preferences? How do they come? Where do they stay? Who do they travel with? What do they do when they travel? How can they be reached with promotional messages? Etc. Etc.</p> <p>Research also should be undertaken with Curaçao's travel trade partners, such as local and international tour operators and media, who have much insight into the markets too.</p>
PRODUCT RESEARCH: Product research also is needed to complete the Baseline Diagnosis and the Market-Product Match. It is needed to assess the existing product supply and possibilities for future product development.	<p>During the marketing research collect information on the experiential travel product development situation in Curaçao, with the goal of gaining insight into the following questions:</p> <ul style="list-style-type: none"> • what types of experiential travel products sell the best currently? • which products have the highest returns on investment ROI and returns on emotion ROE? • how to enhance existing experiences or design new ones that respond to market needs and preferences (see Experience Design below)?

Need/Current Situation	Action Step Recommendations
COMPETITIVE ASSESSMENT: Competitive destination assessment is another key part of the Market-Product Match process.	The competitive experiential travel destination assessment to include: <ul style="list-style-type: none"> • identification of experiential travel destination competitiveness factors. • identification of main competitive experiential travel destinations. • evaluation of competitive destinations in comparison to Curaçao based on the identified competitiveness factors.
MARKET-PRODUCT MATCH: The process collates and assesses the information gathered in the preceding steps.	The market-product match will assess the strength of experiential travel as a market-product match for Curaçao by measuring and analyzing the characteristics of: <ul style="list-style-type: none"> • market demand – experiential market size, growth, motivations, interests, activities, preferences, most promising experiential market segments, etc. • market-ready product – availability of existing and potential for new product development to match the needs and preferences of target experiential travel segments. • destination and community tourism values – compatibility of experiential travel market with Curaçao's destination tourism development goals and community tourism values.
IDEAL GUEST PROFILE: Ideal guest profiling is the foundation of marketing for tourism destinations and businesses.	Once the market-product match has been completed, one or two ideal guest profiles should be created for the destination. Also, each experience provider should complete one or two ideal guest profiles specific to their experience. These profiles should then guide every product development and marketing decision made by CTB and each individual experience provider. Useful information to include in the ideal guest profiles includes: <ul style="list-style-type: none"> • Demographics • Personal preferences • Travel preferences • Travel profile • Goals and dreams • Challenges • Common questions • Common objections • Sources of information • Booking profile
EXPERIENCE DESIGN & DEVELOPMENT	
EXPERIENCE DESIGN: The Business Market Readiness Diagnosis and Market-Product Match will provide insight into what Curaçao needs to do with regard to experiential travel experience design and development.	During the research with consumers and the travel trade, collect information on new product development including: <ul style="list-style-type: none"> • what needs to be done to bring existing experiential travel products to the export market ready level? • what products/experiences are travelers or travel trade seeking that are not currently available in Curaçao? • what ideas and interests do partners have for new or enhanced experiential travel product development (e.g., is there a product that travel trade partners are looking for? are professors, specialists, organizations that are already offering programs interested in adding new programs?)? • can the partners recommend other persons or organizations that could be interested in developing new experiential travel products?
EXPERIENCE & BUSINESS DEVELOPMENT ACTION PLANS: The Business Market Readiness Diagnosis will provide insight into what is required to bring each business and the destination overall to the export market ready level.	Prepare action plans for each of the enterprises that have participated in the experiential travel development program to date (both 2016 and 2018 trainings) and for new enterprises that come into the program. Provide actions for them to take to achieve Export Market Readiness in the Product, Business and Marketing areas. To make the process easier for CTB and the enterprises, CTB could develop tips to help the enterprises attain each of the market readiness guidelines. These could be included on the Market Ready Curaçao website, which was suggested above to support the Business Market Ready Diagnosis.

Need/Current Situation	Action Step Recommendations
EXPERIENCE & BUSINESS DEVELOPMENT COACHING: Coaching and mentorship will be needed to bring each business, and the destination, overall to the export market ready level for experiential travel.	CTB can use the training and coaching tools provided by the 2016 and 2018 trainings to help each of the experience providers bring their products up to the export market-ready level. These tools – which include the Assets Inventorying Market-Product Match, Ideal Guest Profile, Pricing and Detailed Itinerary Tools - can be combined with other CTB hospitality and tourism training programs.
AIRBNB EXPERIENCES: Since launching in November 2016, Airbnb Trips has become an important player in the experiential travel world. Having product on their website has provided significant exposure for the 60 destinations they have chosen to work with to date.	Airbnb Experiences is undertaking a major expansion in 2018, with the goal of growing from 60 to 1,000 destinations. This presents Curaçao with a unique opportunity and be seen as an innovator in experiential travel. A proposal should be made to Airbnb to introduce a portfolio of approximately 10 Curaçao 'Passions' experiences. Passions are the categories Airbnb uses to organize experiences. Among the Passions categories Curaçao could consider are: <ul style="list-style-type: none"> • Social Impact - experiences provided by nonprofits, for which Airbnb takes \$0 fees, making it useful for museum associations and other such groups. • Art, Culture, Design & History – local Art, Culture, Design and History experiences designed and led by local experts in these fields. • Social Dining - travelers and locals engaging over food. • Adventures - full-day or multi-day excursions. • Concerts – events for under 50 people.
NEIGHBOURHOOD EXPERIENCE NETWORKS: The experiential traveler is interested in distinct and unique neighborhoods where they can learn about the culture, meet local and live the local lifestyle.	Curaçao has several neighborhoods that would be of interest to experiential travel. CTB should consider supporting these neighborhoods in their community tourism development efforts and marketing them as Curaçao Neighborhoods. These neighborhoods include: <ul style="list-style-type: none"> • Highlights of East Curaçao – local group marketing east side as an adventure and art experience, including Serena's Art Factory, Curaloe, 2nd Life Curaçao, Dinah Veeris Herb Garden, Curaçao Ostrich Farm, and The Amazonia mystery forest (L'Aldea). • Hello Skalo – community group that uses Parke Leyba in Scharloo as a base, puts on tours of the neighborhood and holds various events such as a Christmas Village, Art & Wine Walking and Movie Nights • Fundashon Ser'i Otrobanda and UNU Projects – work together to improve Otrobanda for residents and visitors, and are introducing tourism-focused programs • Willibrordus - also known as Williwood, a village where local residents are working together to create a tourism brand and showcase the many sites, attractions and experiences around the community.
MARKETING	
MARKETING RESEARCH: The Business Market Readiness Diagnosis and Market-Product Match will provide insight into what Curaçao needs to do with regard to experiential travel marketing. Market research is the foundation of the market-product match process.	During the research with consumers and the travel trade., collect information on marketing Curaçao's experiential travel products. Questions to be explored include: <ul style="list-style-type: none"> • what are the best sales channels for marketing (e.g., local tour operators, international tour operators and agencies, direct to consumer, online channels, etc.)? • what are the best ways of marketing to the high potential markets through the best sales channels? • what marketing collateral and other assistance do the sales channel partners need in order to promote Curaçao? • what marketing actions should Curaçao take attract the high potential segments?
MARKETING PLAN: A marketing action plan for experiential travel should be developed for implementation within the overall annual CTB destination marketing plan.	Ideally, Curaçao should use the market-led experience-driven marketing strategy. To do so, means understanding what unique and local experiences the traveler is looking for and using storytelling to market those experiences. In today's world, it means being online and mobile (where the experiential traveler can be found) and making export market-ready experiences bookable online. Fjord Norway Tourism, Visit Cornwall and Interlaken Tourism are examples of DMOs using innovative experience-driven marketing strategy. Persons who would likely make powerful storytellers include Dinah Veeris, Emly Francisca, Jeanne Henriquez, Serena Israel, Andy Kirschner, and more.

Need/Current Situation	Action Step Recommendations
	<p>The market research recommended as part of these action steps will provide more insight into the marketing action plan. However, the following would be important marketing actions:</p> <ul style="list-style-type: none"> • Experiences portfolio itineraries – appealing itineraries describing the market ready and export market-ready experiences. • Sample story ideas – developed about interesting aspects guests can participate in, learn about, etc. through experiences. • Marketing descriptions – develop appealing titles, lure descriptions, full descriptions, twitter descriptions for each experience etc. • Media – obtain photos, videos for the different experiences (self- and user-generated can be used). • Trip Advisor strategy – all experiences should maintain active listings, with descriptions and photos. Monitoring of comments is needed too. • Social media strategy – active and managed Facebook, Instagram social media accounts. • Bookable Website/page – all experiences should be promoted on one webpage. Ideally, they should be bookable online. • Media strategy – bring carefully selected bloggers, instagrammers, writers, etc. to prepare media items. • Travel trade strategy – nurture relationships with selected tour operators and travel trade, such as select members of the Adventure Travel Trade Association. • Online selling – consider use of third party resellers of in-destination tours and activities (e.g., Airbnb Trips, Viator, Get Your Guide, etc.). • Professional Development & Networking - Attend the ATTA's annual Adventure Travel World Summit to connect with high potential media and travel trade, to get exposure to competitive products and destinations, and for professional development.

