

P.R. Tourism Sector's 'Recovery'

Destination Lacks Unified Strategy, Marketing Plan; Hotels Filled With Emergency Personnel Left Out Leisure Travelers, Affecting Carriers, Guides, Restaurants

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Aside from being an important sector for Puerto Rico, the administration of Gov. Ricardo Rosselló has identified tourism as a key ingredient to jumpstart the economy. However, tourism on the island also was one area devastated by last year's hurricanes.

While there has been clear progress getting back up to speed, particularly in areas such as hotel availability and occupancy, there is no overall agreement among key players about whether recovery is quick enough or too uneven within the different areas of the visitors' economy.

The executive director of the Puerto Rico Tourism Co. (PRTC), Carla Campos, emphasized that the island is seeing a high level of occupancy, with an increased average rate compared to last year, and although thousands of rooms are still not available, that "compression" has actually helped smaller hotels "catch" the overflow of visitors who otherwise would have booked their stay with a hotel chain or larger hotel.

Furthermore, Campos expects Puerto Rico will see sharp improvements in the

third and fourth quarters of 2018 because, by that time, many of the hotels now remodeling will resume regular operations.

When it comes to the PRTC budget, conditions depend on what is collected in room taxes. Campos explained that PRTC revenues have remained within projections, despite the reduction of available rooms, because of an increase in room rates.

"Right now, although we have an inventory below what we previously had, since we have higher rates than the ones we projected at the beginning of the fiscal year [our collections are stable]," Campos argued. She indicated that the average room rate for February 2018 was \$168.

"[We] had high occupancy rates in critical months like October, which is traditionally very low," Campos said. "That October occupancy rate was directly after the hurricane [Maria], from all the emergency management personnel, and it surpassed October of last year by 30 percent or 40 percent." The emergency and recovery personnel kept booked most of the available rooms on the island for several months. While that assured business for the hotels, other members of the tourism sector argued it came with drawbacks.

Daphne Barbeito, travel agent & owner of Cruceros To Go and WedAffairs, argued that keeping so many rooms unavailable for leisure travelers affected carriers, tour guides, restaurants and stores that depend on leisure travelers for their sales.

Furthermore, Barbeito argued that the government is too focused on hotel occupancies and how they are recovering as general markers of the tourism sector's overall recovery, but those markers do not necessarily translate to the visitors' economy as a whole.

"I see it [the recovery] as too slow, and more than anything, I do not see [anyone] working in a concerted effort as a destination," she said. "I'm seeing a lot of efforts about restoring and remodeling hotels, which are the only ones that have

come out victorious from this situation.

"But I don't see any answers directed toward how we are supporting our island's tour operators, how we are supporting our artisans, how we are supporting our carriers, which are all very important people for the tourism equation," Barbeito said.

The entrepreneur also argued that this attitude seems to contradict the government's own goal to enhance Puerto Rico's visitors' economy.

"This government, as public policy, says it wants to develop the visitors' economy. What is happening now does not promote that. If you only focus on one of the sectors, and not on the destination as a whole, sadly, that is going to happen. To have growth as a destination, all elements need to be integrated. What is happening now won't lead to a resurgence of the tourism industry," Barbeito argued.

Another aspect Barbeito addressed was Puerto Rico's image. While she praises PRTC efforts to improve Puerto Rico's image abroad, she argued that is not enough because it is not a comprehensive strategy. On that note, she also argued there are several issues with Puerto Rico's destination marketing organization (DMO), which is set to take over marketing efforts for the external market by July 1. The travel agent is worried the DMO will take too long to establish a successful marketing strategy since there is not a comprehensive plan for the overall destination. Barbeito also criticized the DMO's projections to allocate 40 percent, or \$10 million, of its budget to payroll.

For her part, the PRTC executive director argued that the DMO would be able to move swiftly to take charge of the destination marketing strategy on July 1 because there is constant and effective communication between the Tourism Co. and the DMO. Once the DMO takes over the marketing efforts, the PRTC will focus on creating a comprehensive plan for the destination, Campos indicated.



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VIRGIN ISLANDS PORT AUTHORITY PROCUREMENT OF TWO (2) REGENERATIVE AIR TYPE STREET SWEEPERS, TRUCK MOUNTED

ST. THOMAS and ST. CROIX, UNITED STATES VIRGIN ISLANDS

TO CONTRACTORS: Sealed bids, entitled **PROCUREMENT OF TWO (2) REGENERATIVE AIR TYPE STREET SWEEPERS, TRUCK MOUNTED, ST. THOMAS AND ST. CROIX, UNITED STATES VIRGIN ISLANDS**, will be received by the Virgin Islands Port Authority, in the Public Conference Room of the Henry E. Roisen Airport, St. Croix, U.S. Virgin Islands, until 1:00 P.M., **Friday, June 8, 2018**. Bids will be publicly opened and read aloud. All interested parties are invited to attend. Disadvantaged Business Enterprise (7% DBE participation goal), EEO and USDL Minimum Wage Rate provisions shall apply to this purchase. Bid packages are available digitally through mcruz@viport.com. Printed copies may be picked up at:

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