



IICA-COLEACP Caribbean Agrifood Business Series

Session N°3

Post-COVID-19 : Building stronger linkages between agriculture and tourism: the key role of SMEs and businesses

7th October 2021 – 10:00-12:00 (EST)

Online

1. Background

Tourism is among the industries that have been hit hardest by the COVID-19 crisis.¹ The indirect effects are significant due to backward and forward linkages between sectors such as agriculture. The reduction in tourist arrivals across developing nations is relatively consistent, mostly between 60 and 80 per cent.² Of the 20 most tourism-dependent small economies in the world, 13 are in the Caribbean. Tourism is an important source of income accounting for 50 % of total exports for many small economies, particularly Small Islands Developing States (SIDS).³ As a major economic sector, tourism has a particular socio-economic importance, as it employs many women and young people and provides a livelihood to many informal workers.

On average, the tourism sector accounts for almost 30% of the gross domestic product (GDP) of the SIDS.⁴ This share is over 50% for the Maldives, Seychelles, St. Kitts and Nevis and Grenada. It is expected that for many SIDS, the COVID-19 pandemic will directly result in record amounts of revenue losses without the alternative sources of foreign exchange revenues necessary to service external debt and pay for imports.⁵

The UNWTO reports that tourism experts do not expect a return to pre-COVID-19 arrival levels until 2023 or later. The main barriers are travel restrictions, slow containment of the virus, low traveller confidence and a poor economic environment.⁶ There is a need to bring tourism back, restore the confidence of travellers, through vaccination, tests, flexibility in the flights. Hence, coordination between countries on common standards (i.e. European Union digital COVID-19 certificate) is key as well as governmental support towards the

1 Tourism destinations recorded one billion fewer international arrivals in 2020 than in 2019. A deep decline in international travel led to a loss of about USD 1.3 trillion in export revenues, more than 11 times the loss during the last economic crisis in 2009. 100 to 120 million tourism jobs were put at risk, a large portion in small and medium-sized enterprises. [UNWTO. 2021.](#)

2 The United Nations World Tourism Organization (UNWTO) reports that almost all countries have implemented travel restrictions of one sort or another, such as travel bans, visa controls and quarantines (UNWTO 2020).

3 UNCTAD (2020b) [Impact of COVID-19 on tourism in small island developing states.](#)

4 World Travel & Tourism Council (WTTC) based on data from UNCTADStat. [Impact of COVID-19 on tourism in small island developing states](#)

5 UNCTAD (2020b) [Impact of COVID-19 on tourism in small island developing states.](#)

6 UNCTAD. [COVID-19 and tourism. Assessing the economic consequences.](#) 2021

sector as showed in many countries.⁷

Many initiatives have demonstrated coordination and innovation at regional level and many more will have to be in place. A Caribbean Tourism COVID-19 task force, consisting of representatives from the Caribbean Hotel and Tourism Association, the Caribbean Public Health Agency (CARPHA), Caribbean Tourism Organization, Organization of Eastern Caribbean States (OECS) and the Global Tourism Resiliency and Crisis Management Centre is helping member countries to coordinate their efforts in this process with a set of guidelines and training to help countries put protocols in place. Jamaica has designated a “COVID-19 Resilient Corridor” on the coastline which tourists are restricted to. Only certified businesses within this zone will be allowed to open to tourists. Barbados has launched its 12-month « Barbados Welcome Stamp », which offers new opportunities for anyone who wishes to work remotely from the island. The Organization of Eastern Caribbean States (OECS) has formed a Tourism Task aims to develop and implement health and safety protocols directed at specific activities such as airports, group transportation, accommodation, tours and attractions (OECS, 2020).

2. The need for MSMEs and businesses to recover and innovate

Looking ahead, future travel will inevitably look different. COVID-19 is a wake-up call to rethink the future of tourism in a sustainability way, promoting links with agriculture and environmental protection as well as diversification of the economy.⁸ We believe that some of the challenges can be transformed in new opportunities for Micro, small and medium-sized enterprises (MSMEs) and businesses.

Data and market intelligence will be vital. Near term expected trends include domestic destinations and proximate travel, as well as strong **growth in nature and adventure tourism**, highlighting the increasing importance consumers are placing on sustainability. Stimulus recovery programs for tourism could focus on rebuilding tourism locations to be more sustainable, which would create jobs in the rebuilding as well as enhance its attraction.⁹ In the context of the pandemic and recovery process, a growth in wellbeing tourism is expected. This experience should combine local food offers and an increased knowledge of local farmers through farm-to-table experiences.

Acceleration of digitisation is a feature of COVID-19 times to stay (from touchless technologies to automated services across the traveller journey, connected rooms, contactless check-in, digital car keys, and delivery robots, among other technologies.i.e., Royal Caribbean Cruises implemented biometric technology to streamline check-in and boarding).¹⁰

The **rise of virtual tourism** and destinations offering virtual experiences to connect with travellers and restart the sector (i.e. online access to parks, museum’s collections, exploring destinations) will become an increasingly important part of the sales and marketing process.

Online promotion of food and culture is very successful and provides another opportunity to showcase the rich cultural offerings. Chefs and local food ambassadors can safely continue to contribute to virtual **agritourism** and promote **sustainable food habits**.¹¹ **Chefs are influential advocates of local food culture** through TV programmes and are helping

7 i.e. fiscal packages to provide temporary income support to workers; cash relief payment to employees and handed out packages with food and other basic needs for tourism workers provided by hotels and tourism associations; through public-private partnerships, governments in some countries have facilitated the transfer of tourism workers to other industries requiring additional support staff in the context of the pandemic response, such as cleaners in hospitals and businesses, temperature checkers and contact tracers.

8 UNCTAD. [COVID-19 and tourism. Assessing the economic consequences](#). 2021

9 <https://blogs.worldbank.org/voices/tourism-post-covid-world-three-steps-build-better-forward>

10 World Travel & Tourism Council: [To Recovery & Beyond: The Future of Travel & Tourism in the Wake of COVID-19](#) - September 2020.

11 <https://blog.iica.int/en/blog/why-agriculture-key-caribbeans-tourism-sector-post-covid-19-pandemic>

boost the use of Caribbean-produced foods both domestically and internationally.

The effects of COVID-19 related lockdowns have created awareness on the **local food products** and the need to strengthen **responsible and sustainable food production and consumption and healthy diets**.

Digital transformation will imply **new skillsets from employees and reskilling**. According to a World Economic Forum survey, 68% of the Travel & Tourism workforce will require reskilling.¹² Many tourism chains are offering online courses to their employees.

Remote work will remain also in the tourism industry affecting employees, tourists (longer term stays) as well as companies relocating offices and hiring globally.

Sustainable tourism should create higher economic value for **local communities** while preserving culture and natural assets. **Local knowledge and innovations** should be strengthened through the expansion of **community-based tourism** which will be a key feature of a Post-COVID environment.¹³ Experts foresee growing demand for **open-air and nature-based tourism** and **ecotourism** activities, with domestic tourism and “slow travel” experiences gaining increasing interest.¹⁴ MSMEs and business should strengthen partnerships with local communities to design authentic experiences.¹⁵ This will also allow to **promote new destinations** which are less known and offer new features.

Innovation at all levels of the value chain will be key in developing services which respond to new expectations from tourists and building consumer confidence.

Best practices in sustainability and environment and ecological protection, practices contributing to circular economy and resources efficiency need to be shared.

3. Critical support to MSMEs and business along the agritourism value chain

MSMEs represent the bulk of tourism firms accounting in some cases for more than 90% of tourism-related businesses. Measures to **support business survival** in COVID-19 times range from temporary exemptions for payment of income or value added tax (VAT) or social security contributions, COVID-19 relief packages, credit lines or subsidies for working capital and (partial) wage payments, subsidies for construction and renovation work, moratorium on the payment of licenses and fees by entities in the tourism sector. These support measures need to continue and, in some cases, increase, especially for smaller operators. Developing **incentive packages** for businesses to adjust and reinvent themselves to adopt new business models involving different customers will be critical. Tourism service providers may need loans to **upgrade facilities/equipment** to meet health and social distancing standards. Support from regional and international financial institutions through grants and low-cost loans can provide the necessary resources to make such upgrades and increase attractiveness to visitors. Such initiatives should target small, locally owned tourism service providers given their high vulnerability to business failure because of the pandemic.

Access to credit is critical for MSMEs to recover and build better. MSMEs in the region face obstacles accessing financing due to inadequate banking products and companies with weak managerial and financial skills and knowledge. Furthermore, during the assessment of disasters in the Caribbean, it has been observed that un- and underinsurance are widespread in the tourism sector. It is recommended to establish group or activity insurance schemes

12 World Economic Forum. [The Future of Jobs Report](#), 2018

13 Compete Caribbean. <https://www.competecaribbean.org/community-based-tourism-covid-recovery/>

14 ECLAC. [The impact of the COVID-19 pandemic on the tourism sector in Latin America and the Caribbean, and options for a sustainable and resilient recovery](#). 2020.

15 World Travel & Tourism Council: [Travel & Tourism as a Catalyst For Social Impact](#) - February 2021.

that attract more MSMEs and ease insurance conditions. In the tourism sector, these measures must target women, both due to their ownership of MSME and their difficulties to obtain credit.¹⁶

Skills gaps among the local labour market are among the most cited barriers to appropriate technology adoption. Assistance to **improve digital skills** to better serve new needs of the hospitality and agriculture sector, support to e-commerce and to a more direct relation with the customer (i.e. social media communication) are needed. Awareness of the potential of these technologies is needed and specific support required for MSMEs which face technical, managerial and financial difficulties. Experiences from other countries worldwide should be shared¹⁷ and improved infrastructure, especially in rural areas.

Capacity building and training packages targeting local MSMEs and entrepreneurs should be scaled up (i.e. digital marketing, promotion and marketing campaigns, use of social media tools, innovation in product development, financial skills, business development, contingency planning, pricing models in view of reduced customers and capacity restrictions to be applied for social distancing).

4. The way forward

It is essential that MSMEs are working closely with the public sector and other partners to apply strict health & safety standards across industries and plan the costs associated to this.

Rebuilding investor and consumer confidence will be essential for the tourism sector. It will require monitoring the evolution of the demand, anticipating new market trends and demands, strengthening the economic, social and environmental sustainability through increased resilience and fairer sharing of benefits. Building better forward a greener and more inclusive development of the sector will be critical. A fairer sharing of value across actors is also needed, especially on the improvement of living and working conditions of local workers and rural communities.

MSMEs have a key role in improving quality and availability of local food and ensuring high safety and quality standards. Health & safety are paramount in this new post-COVID-19 era. MSMEs and businesses will have to ensure that such protocols are also applied by their suppliers, service providers and partners that it brings trust across the value chain. Traceability systems will also be more important for consumers, very more interested by healthy choices.

In promoting domestic tourism, and destinations close to home, rural areas and emerging new destinations will need increased investment in digital and physical infrastructure. Increased investments will also be needed in more remote areas, as well as efforts needed to promote the domestic and regional market, test innovations, marketing and promotional activities...

Promote public-private partnerships and multistakeholder collaboration between governmental institutions, MSMEs and service providers and rural communities which are inclusive which address the expectations of tourists. Sharing widely best practices will be particularly useful to regain confidence. Hence the key role for MSMEs to communicate and increase their online presence.

16 ECLAC. [The impact of the COVID-19 pandemic on the tourism sector in Latin America and the Caribbean, and options for a sustainable and resilient recovery](#). 2020.

17 Big data can help track consumer behavior and forecast demand, while artificial intelligence can customize trips for tourists who seek authentic experiences. Virtual and augmented reality could allow access to fragile archeological sites or improve country branding and marketing. The use of virtual tours has helped museums stay opened during the COVID-19 emergency.

PROGRAMME

7th October 2021 – 10:00-12:00 (EST)

10:00-10:10 Introduction and Moderator: *Ena Harvey, IICA Representative, Barbados*

10:10-11:00 Panel: Experiences from businesses

Moderator: *Isolina Boto, Head of Networks and Alliances, COLEACP*

- Shadel Nyack Compton, Managing Director, Belmont Estate Group of Companies, Grenada
- Rachel Renie, Co-founder, D'Market Movers, Trinidad and Tobago
- William Thompson, Treasurer, Nevis Growers' Co-operative, St Kitts and Nevis
- Dane Saddler, Founder and Executive Chef, Caribbean Villa Chefs

11:00-11:25 Insights from partners and experts

This session will include inputs from experts representing policy-makers, research and finance.

- Rhea Simms, Global Program Manager, Planeterra Foundation
- Sandra Carvao, Chief, Market Intelligence and Competitiveness, UNWTO

11:25-11:50 Q&A session

11:50-12:00 Way forward and closure

- Jeremy Knops, General Delegate, COLEACP