

# CARIBBEAN COUNTRIES: CHANGE OF STRATEGY NEEDED



Tourism industry world wide suffers because of the global economic crisis. Even such a popular destination as the Caribbean needs to prepare for the crisis. Local governments need to address existing problems to remain competitive.

The Caribbean is a world wide known and world wide popular tourism region. Cruise tourism, pristine beaches as well as UNESCO world heritage sites lure tourists in here in any season. However, as most of the regions around the world, the Caribbean faces the impacts of the global economic crisis.

This year's drop in tourism has negative impacts on the local economies that heavily depend on tourism. It is expected that the **tourism industry will contribute approximately 14.5 per cent to the Caribbean GDP** and that it will represent 12 per cent of employment in the region this year. In some Caribbean countries, the numbers will be even higher.

Despite the clear dependence on the tourism industry, according to experts the local governments don't take sufficient measures to improve the situation in the sector. Tourism infrastructure in many regions needs reconstructing and there is a need of quality schools that would provide education to future tourism employees.

The Caribbean tourism sector in general often does not sufficiently utilize the local product and rather uses high-cost imported goods. The region also faces rise in prices of food and energy. In addition, the current trend of increasing the taxes may be a problem. Heightening taxes may bring higher revenues in short term but it is a rather bad long term strategy. Increased levels of taxation may eventually scare tourists away and make the region uncompetitive. According to some critics the region thus needs to make steps to stay competitive or otherwise tourists may decide to travel to other destinations like e.g. Brazil.

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