

The Virgin Islands Consortium

Dept. Of Tourism Seeks \$19 Million To Better Promote Territory, Delta Flights To St. Croix A Success

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ST. THOMAS -- Even as she was praised for her efforts in effectively promoting the territory to the world, Department of Tourism (DOT) Acting Commissioner Beverly Nicholson-Doty, told members of the Senate Finance Committee at a Thursday hearing held at the Earle B. Ottley Legislative Hall that DOT needs more cash to better compete against rising competition, while relaying good news that the territory's main export remains one of the most sought-after destinations, even as it continues to mature.

DOT requested a budget of \$2.4 million from the government's general fund for the operations of the department, which includes personnel, fringe benefits and more, and represents a reduction of .08 percent from the department's fiscal year 2015 operations.

DOT also requested \$19 million for its marketing and promotions activities, which will be funded by the Tourism Advertising Revolving Fund.

Nicholson-Doty said the U.S. market remains DOT's most lucrative, representing more than 90 percent of all visits to the territory.

"The market is rebounding, consumer confidence is up and unemployment is down. Discretionary spending on items such as vacations is gaining ground, [and] our territory is seeing an increase in visitor arrivals with more discretionary income," said the the



Department of Tourism Acting Commissioner Beverly

Nicholson-Doty.

According to Nicholson-Doty, as the Caribbean's tourism product continues to rebound, the territory remains at the forefront of the pack, stating that the islands' overnight arrivals "exceeded 22 of the 29 Caribbean nations reporting data."

"Only Aruba, The Bahamas, Cuba, Dominican Republic, Jamaica, Puerto Rico and Venezuela exceeded our stay-over arrivals in 2014," she said, adding that most of these destinations boast double and sometimes triple the accommodations inventory that the territory has.

In relation to St. Croix, the commissioner said the department's momentous decision in seeking additional flights to the big island must continue, and revealed that the weekly Delta Airlines flight, which began in December, 2014, has brought 5,215 additional people to St. Croix, with over 75 percent staying in hotels and other paid accommodations, resulting in more than \$3 million in visitor expenditure.

"Unlike St. Thomas, we know our capture rate is almost 100 percent, as they are not passing through the Henry E. Rohlsen Airport en route to the BVI," Nicholson-Doty said.

According to information provided by the Virgin Islands Bureau of Economic Research, tourism accounts for 2.8 million visitors to the territory annually and said visitors account for \$1.2 billion of spending. The industry also accounts for 8,000 direct jobs and 30 percent of the territory's gross domestic product (GDP), and 20 percent employment.

Overnight visitors spend \$648 per individual, while cruise passengers spend \$217 per person, which DOT says is significantly higher than the Florida-Caribbean Cruise Association's study conducted some two years ago.

Nicholson-Doty said she was pleased to announce that DOT had recently moved into its own building located in downtown Charlotte Amalie, which saw the department saving \$105,000 in annual rental costs.

And while the department continues to pay rent of \$2,250 monthly on St. Croix from the Public Finance Authority, it currently has "no outstanding obligations for communications or utilities," Nicholson-Doty said.

Nicholson-Doty also highlighted its new implementation dubbed the Visitors Experience Division -- operating on all three islands -- and is focused on recognizing happy visitors willing to recommend the Virgin Islands to their family and friends as a great place to spend vacationing time.

Senators generally praised Nicholson-Doty and her team for what they say has been exceptional leadership and a staff that's always pleasant to interact with.