



NEGRIL ROYAL PALM RESERVE

SITUATIONAL ANALYSIS
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GLOSSARY

CCTV	Closed Circuit Television
DAC	Destination Assurance Council
ERP	Economic Reform Program
GCT	General Consumption Tax
GDP	Gross Domestic Product
GOJ	Government of Jamaica
ICT	Information Communication Technology
JTB	Jamaica Tourist Board
NDC	National Disaster Council
NEPA	National Environment and Protection Agency
NEPT	Negril Area Environmental Protection Trust
NRCA	Natural Resources Conservation Authority Act
ODPEM	Office of Disaster Preparedness and Emergency Management
PESTEL	Political, Economic, Social, Technological and Legal
ROI	Return on Investment
SWOT	Strengths, Weaknesses, Opportunities and Threats
TEMC	Tourism Emergency Management Committee
TEOC	Tourism Emergency Operations Centre
TPA	Tourism Pensions Act
TPDCo.	Tourism Product Development Company Ltd.
WTTC	World Trade and Tourism Council



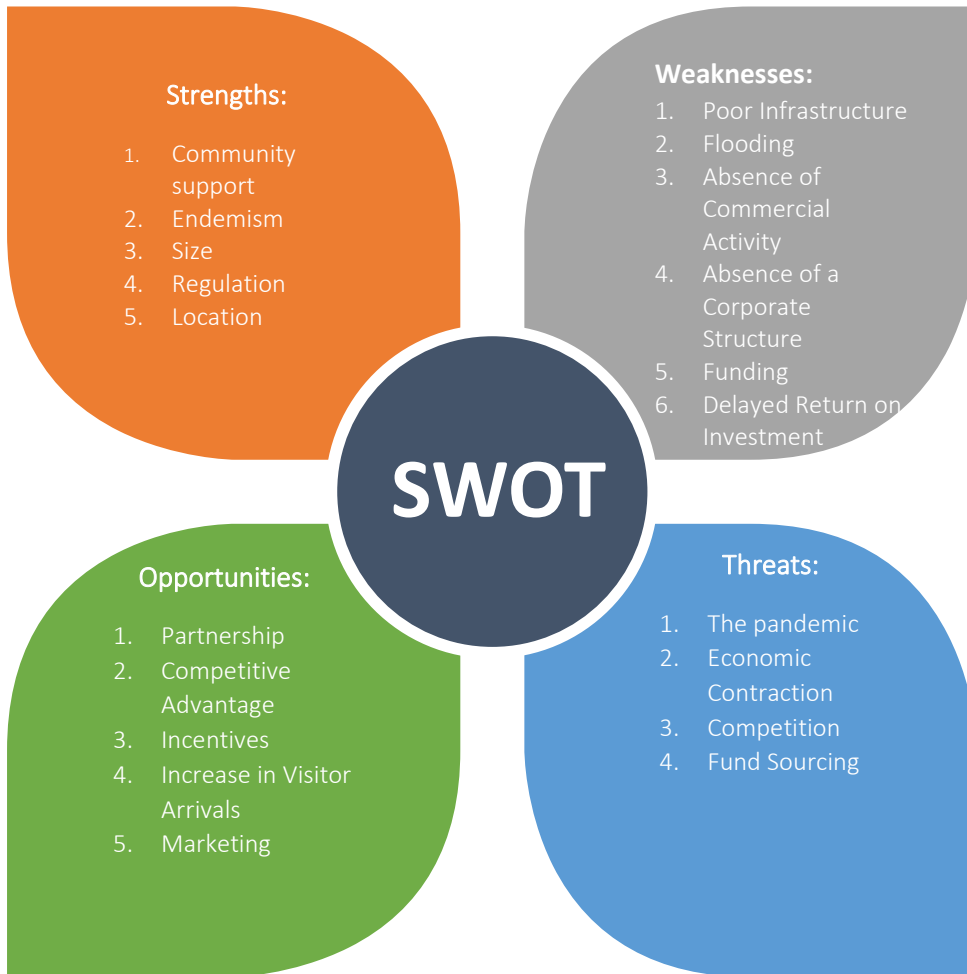
EXECUTIVE SUMMARY

Phoenix Business Insight Limited has been engaged by the National Environment and Planning Agency to develop a Business Plan with a comprehensive Marketing Plan and Management Plan for the Negril Royal Palm Reserve to support its eco-tourism offerings. In the past the Reserve was operated as a bird-watching facility, however, it has not been open for business in over ten (10) years. With a new focus on redeveloping the area for commercial purposes, it is imperative to review the factors that may impact the entry of the Reserve into the tourism market. The major factors are captured through the following tools: SWOT, PESTEL and 5Cs Marketing Overview. The outcome of these assessment tools indicates that the global tourism market is trending towards more ecologically focused activities and that the Reserve has to be properly positioned to take its place as the archetype for ecotourism in Jamaica. However, the operators of the Reserve must be mindful of the current economic climate requires serious consideration of the pandemic. Jamaica's tourism industry has seen a significant downturn in the last twelve months due to travel restrictions and the projected medium-term economic constraints in its largest tourism markets (USA, Canada and the United Kingdom). Recovery is anticipated in the long term as the vaccine is distributed around the globe.

Importantly, while plans are being developed as a guide for the reintroduction of the Reserve as a tourism product, major infrastructure development activities must be completed to bring the space to a standard that facilitates occupation, reduce risk and engenders the endorsement of the Tourism Product Development Co Limited through the Destination Assurance Councils. An emerging trend that ought to be considered for integration into the Reserve's offerings is glamping. Glamping can be defined as a portmanteau of "glamorous" and "camping", and describes a style of camping with amenities and, in some cases, resort-style services not usually associated with "traditional" camping. This will significantly ease the previously highlighted logistical challenge by providing accommodations for the most ardent bird watcher to wake up at the facility and participate in bird watching which is best done at the break of dawn.

As a protected area, the development of the space is constricted by the Natural Resources Conservation Authority Act and the Development Order. This also presents some advantage for entry into the market by positioning the reserve for the aspect of the market that is characterized by the environmentally-conscious adventurer.

SWOT Analysis



SWOT Analysis Overview

The SWOT provides a high-level view of the Negril Royal Palm Reserve from the perspective of the current situation at the facility. In the absence of an existing commercial framework or operating model, this analysis will assist with developing a baseline of the challenges and potential opportunities for the space as a commercially viable eco-tourism attraction.



Strengths

1. Community Support

Redevelopment of the Reserve is supported by the NEPA and other stakeholders in the Negril community which includes the Negril Chamber of Commerce, the Negril Area Environmental Protection Trust, Negril Community Development Committee and the Negril Green Island Local Planning Authority. The successful development and relaunch of the facility require a collaborative approach involving local stakeholders. Based on the initial stakeholder meetings, it was noted that the community organizations in Negril have a strong interest in the Reserve and the potential for commercial development and continued preservation of the environment.

2. Endemism

The Reserve has endemic species of Royal Palms and other plants such as anchovy pears, wicker vines, saw grass and ferns. The Negril Royal Palm Reserve is also home to numerous species of birds and other animals such as the endemic Jamaican Pond Turtle, mongoose, fish, toads, butterflies and dragon flies. These unique features present several possibilities for positioning the Reserve to the target market and ensuring a focus on the preservation of the environment.

3. Land Use

The land area classified as the Reserve is approximately four hundred and thirty seven (437) acres and provides an opportunity for various activities or attractions to be established. The area is zoned as a National Park and is protected by the National Resources Conservation Authority Act of 1991 and the Negril Environmental Protection Plan of 1995 updated in 1997. With is in mind there are several considerations for any intended activities that may disrupt the natural environment, however, with appropriate planning, the best use of the space can be determined.

4. Location

The Reserve is located about 15-20mins from the Negril town centre and 30mins from the hotel strip. The strategic location of the Reserve presents an opportunity to easily establish a transportation network to facilitate tours and partnerships with the resorts. Engaging with the existing transportation network should be easier by leveraging the relationships that were formed by the previous operators of the Reserve with entities such as Caribic Vacations.

5. Personnel with Knowledge of the Area

The grounds of the Reserve is currently being maintained by two (2) groundsmen, who have been engaged in this capacity for over 10 years. Based on their patronage they have tacit and explicit knowledge regarding the unique features of the NRPR that would assist with development plans and and operation of the space.



Weaknesses

1. Infrastructure

The infrastructure at the Reserve and the road leading to the area is in a severe state of disrepair. Significant infrastructure work will have to be carried out before any occupation or use of the space for commercial purposes. The extent of work required will need to be properly assessed and a determination made regarding the required capital investment.

2. Absence of Commercial Activity

Commercial activities have been absent at the Reserve for more than 10 years. Awareness of the Reserve may be limited and thus extensive marketing and promotion will be required.

3. Lack of Financial Statement

Based on the lack the operational activities at the Royal Palm Reserve for the last 10 years there are no financial statements for the location available to provide historical information regarding profit and losses for the operations at NRPR under the previous Operators. Over the years there has not been any financial analysis done for the Royal Palm Reserve in its current state. This may pose a challenge for contracted operators and potential investors with no validation for the previous offerings.

4. Absence of a Corporate Structure

There is the absence of an established corporate structure to manage or oversee the development and operation of the space. The engagement of a lessee or investor ought to occur early in the process to establish an appropriate structure, agreed on timelines and oversight for the redevelopment of the Reserve and initiate operations.

5. Funding

Funding to support the redevelopment of the Reserve and improved attractions is unconfirmed. Securing funding and/or an investor to support the realization of the intended plans for the Reserve is critical to the successful reintroduction of the area as an ecotourism attraction.

6. Delayed Return on Investment

Return on Investment may be limited in the first few years of operation based on the initial capital investment required to commence operating the space as an ecotourism attraction. ROI is a major consideration for any business operation and may impact the type of investor that is attracted to the Reserve and the time to secure the investment.



Opportunities

1. Partnership

The oceanarium being proposed in Montego Bay is a potential partner location as well as other marine-oriented activities or parks. This would facilitate special packages and potentially present a greater value for visitors.

The Jamaica Tourist Board (JTB), Jamaica Hotel and Tourist Association (JHTA) and Tourism Product Development Company (TPDco) are also potential partners to generate interest and visitors to the location. These entities specialize in tourism development and could promote the Negril Royal Palm Reserve to their members which will aid in guiding tourists both international and local to the location to generate revenue.

2. Competitive Advantage

There are few eco-tourism attractions in Negril which will make this a unique tourism product if positioned properly.

3. Incentives

There are various incentives offered to operators within the tourism industry including the Attractions Incentives Package and the Resort Incentive Package. These incentives will ease the tax burden on the Operator and help to position the Reserve in a financially attractive way for an investor, based on the required capital input before commencing operations.

4. Increase in Tourist Arrivals

Post - COVID-19 it is anticipated to the number of tourists will rise to former levels (4.3 Million visitors in 2019) or higher. The timeframe for the abatement of the pandemic is currently unknown however, with the global distribution of a vaccine there is optimism. In this regard, it has been reported that stakeholders in the manufacturing and export sectors in Jamaica are confident that the economy will begin to rebound by September 2021 and are ready to invest in expanding their output. Already, recovery has been noted in the Global Services Sector which has seen several new investments and an increase in employment back to former numbers before the pandemic.

5. Marketing

The biodiversity, endemism and unique features contribute to making it marketable to both local and foreign tourists. The Ministry of Tourism and its subsidiaries are open to supporting tourism operators and engaging with the target market to promote the space, subject to the tourism product meeting specified quality standards. Social media presents a very strategic and inexpensive way of promoting the Reserve to potential investors, locals and visitors.



Threats

1. The Pandemic

The pandemic that was declared in early 2020 has resulted in disruption in travel and business operations around the globe. Notably, over the past twelve months, there had been extensive travel restrictions and lockdowns across the United Kingdom, parts of Europe, the Caribbean and North America. The realities of the economic impact of the pandemic on tourism are explored in the PESTEL, however, it is important to note that there is optimism for recovery in the medium to long term, based on the global distribution of vaccines. Subject to the timeframe for the abatement of the pandemic, investors and operators in the tourism industry in Jamaica will have to consider this satiation as a major risk to their investment.

2. Economic Considerations

Economic downturn across the globe may impact the spending power of target markets for tourism post-COVID-19. According to the IMF's projections, the global economy would have contracted by 4.4% in 2020. With consideration of the United States, which is the largest tourism market for Jamaica, there are projected net losses of \$3.2 trillion and up to \$4.8 trillion in the real gross domestic product (GDP) over the next two years because of COVID-19. It is also estimated that job losses in the US could range from 14.7% to 23.8%, and in the worst-case affect an estimated 36.5 million workers. Unlike the US, Canada's economy was a bit more robust as by the end of 2020, the number of workers who were affected by the COVID-19 pandemic was 1.1 million. However, Canada's economy appears to have suffered its worst year on record as the national statistics agency's preliminary estimate showed a contraction of 5.1 per cent in 2020. In the UK, the unemployment rate, in the three months to November 2020, was estimated at 5.0%, 1.2 percentage points higher than a year earlier. The Office for National Statistics said the gross domestic product (GDP) of the UK fell by 9.9% in 2020.

The economic realities for Jamaica's three largest tourism markets and the globe by extension have a far-reaching impact on consumer spending and lifestyles which may ultimately impact travel decisions for leisure activities. This is a major consideration for Jamaica's tourist industry at least for the next two years. This issue may also present a challenge to attract an investor to redevelop, manage and operate the Reserve at this time.

3. Competition

Established all-inclusive resorts and more established tourist attractions in Negril and Montego Bay may present strong competition for the Negril Royal Palm Reserve which would be newly reintroduced to the tourism market. It is therefore imperative that the Reserve is properly positioned for reintroduction to the target market and value-added partnerships with neighbouring attractions are established.



4. Fund Sourcing

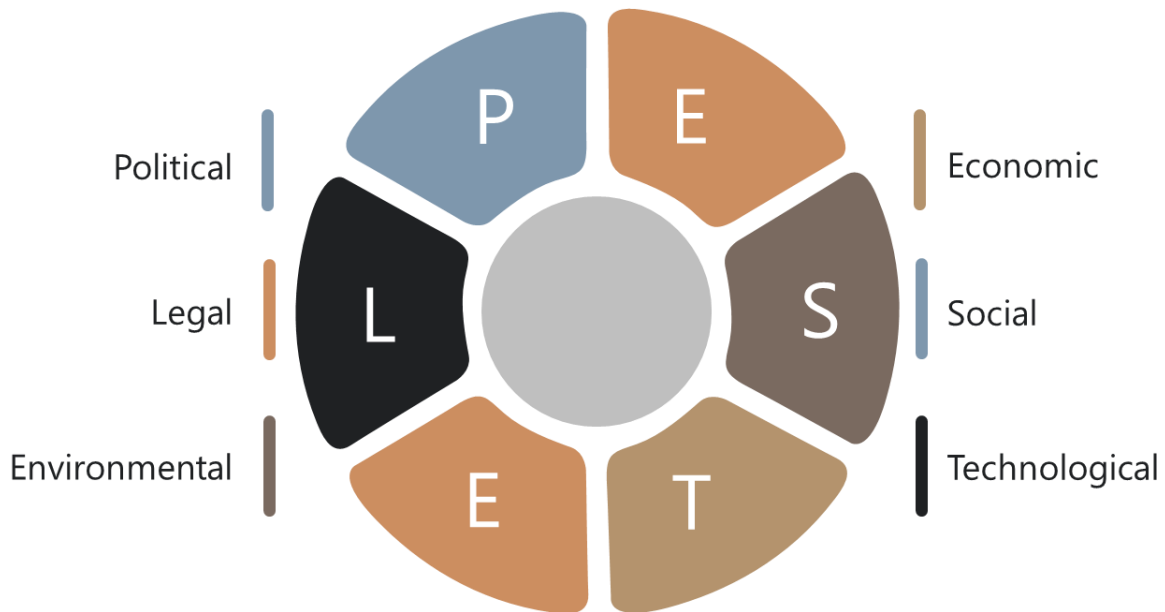
The timeframe to obtain funding for the redevelopment of the Reserve may be extensive and result in missed opportunities when the tourism market rebounds if the space is not ready to accommodate visitors.

5. Flooding

The area is subject to flooding when it rains based on the sea level of the land and the nature of the area. An extensive assessment of the main access route and intended use of the space would have to be conducted to ensure that new infrastructure can mitigate the impact of natural disasters such as flooding.

PESTEL Analysis

The PESTEL Analysis focuses on the Negril Royal Palm Reserve as an ecotourism entrant in general terms with specific emphasis on local and global factors to consider which may impact the operations of the space.



POLITICAL FACTORS

According to Hall (1994), political stability is an essential prerequisite for attracting international tourists to a destination and a fundamental precondition to the successful establishment, growth and survival of a tourist industry. In the past decade, Jamaica has maintained political stability with a smooth transition of power between the two dominant political parties. In the most recent elections held in September 2020, the incumbent administration maintained its position and there was no disruption in the social conditions in the country. In the recent Budget Presentations for the fiscal year 2021/2022, the administration did not introduce any new taxes on the economy (Budget Debate, 10-Mar-2021, Minister of Finance).

This bodes well for potential investors in tourism and visitors. However, with the issues posed by the ongoing pandemic, the Government of Jamaica has sought to work closely with stakeholders in the sector to establish the COVID-19 Tourism Task Force which is aimed at marshalling a recovery plan for the



tourism industry. The Task Force has effectively fine-tuned a five-point recovery strategy involving health and safety protocols communications and risk management. Through the efforts of the government and the task force, Jamaica's borders have remained open to international visitors since June 15, 2020, and a resilient corridor established to host visitors. There are three COVID-19 Resilient Corridors – the North Coast from Negril to Port Antonio; the South Coast from Milk River to Negril; and the Kingston Business District (New Kingston and its environs). Negril Royal Palm Reserve is perfectly located along the Resilient Corridor and therefore would be able to host locals and international visitors in keeping with the protocols provided for operations. Notably, since the pandemic, the government through the Jamaica Tourist Board's (JTB's) Rediscover Jamaica programme, has sought to encourage locals to visit local resorts and attractions to provide a temporary cushion for the struggling sector, which has seen a fallout in business. With the United States, Canada and the United Kingdom being Jamaica's largest markets for tourism, changes in travel requirements and restrictions in movement due to the pandemic have negatively impacted. Jamaica has noted this reality with preliminary figures for 2020 indicating that the island welcomed 1,297,094 visitors, which represents just a fraction of 2019's 4.3 million tourists. It is anticipated that this will improve with the introduction and distribution of a vaccine in the major tourist markets and the focus of international leaders to collectively tackle pandemic response.

In addition to dealing with a strategic response to the pandemic, the United States, which is Jamaica's largest tourism market has seen some significant changes in its political position with the inauguration of a new president. There are some instabilities in the US economy and social dynamics due to the pandemic and differences in political opinions spilling over from the presidential election which may continue to impact the country soon. Nonetheless, the US has maintained good relations with Jamaica, and this is not expected to change. As the political atmosphere clears in the USA and the economy of the country rebounds, it is anticipated that the US will continue to be a major market for Jamaica for tourism product. Similarly, relationship Jamaica's relationships with Canada and the UK respectively has been maintained over the years. Canada has notably maintained its political stability while the UK has had ongoing challenges with arriving at a new arrangement with the EU following on from Brexit. After months of negotiations, the UK and European Union finally agreed on a deal that will define their future relationship, which came into effect on December 31, 2020. This should relieve some of the political pressures that



had been present because of the uncertainties surrounding the negotiations with the EU. It is yet to be seen whether the UK's new position will impact relationships with Jamaica.

ECONOMIC FACTORS

Tourism is one of the most important sectors in the world economy, accounting for 10 per cent of global GDP and more than 320 million jobs worldwide. Caribbean travel and tourism were ranked as the world's number one contributor to regional economies by the World Travel and Tourism Council (WTTC) with Jamaica ranked 16th globally in terms of countries' economic dependence on the sector. In 2018, the Ministry of Tourism targeted cultivating the tourism economy to garner 5 million visitors to the island by 2021. This stemmed from the Economic Reform Programme (ERP) initiated to reduce the financial burdens placed on the local population. Jamaica welcomed approximately 4.3 million visitors whose combined spending contributed to earnings of US\$3.64 billion with Negril contributing approximately US\$500 million of this amount. **Notably, in 2016, Jamaica retained USD 0.30 in every dollar spent in the industry. This increased to USD 0.41 or 36% increase in 2020.**

According to the WTTC, it is estimated that tourism represents 31 per cent of Jamaica's economic GDP in 2019. Their calculation comprised the direct contribution of tourism and the activities of restaurants and leisure industries directly supported by tourists. Tourism in Jamaica accounts for 34 per cent of total economic output and 31 per cent of employment. Jamaica's GDP growth for FY2020/21 had a projection of approximately 1 per cent; juxtaposed by the projected favourable domestic conditions and the vast external demand for tourism and commodities. However, the pandemic dealt a devastating economic blow to the global tourism industry. The onset of the pandemic resulted in borders being closed locally and in some countries across the globe for a significant period. For the year 2020, the Jamaica Tourist Board (JTB) reported that the country welcomed 1,297,094 visitors, comprising 847,823 stopover arrivals and 449,271 cruise passengers generating approximately US\$1.3 billion in earnings (McIntosh, D. (2021)). Notwithstanding these statistics, the pandemic, left Jamaica reeling from a \$76 billion loss in earnings and a 2.3 million decline in visitor arrivals. However, the economy is projected to rebound as both domestic and foreign demand strengthen. Increased coronavirus cases could however lead to tightened restrictions. The economy is projected to expand by 3.9% in 2021, up 0.6 percentage points estimated, as of December 2020 growing at a rate of 3.0% in 2022.



The onset of the pandemic saw several targeted media relations campaigns and promotional initiatives for tourism. Among these strategies to boost tourism and to ensure that tourism in Jamaica remains viable was the launch by the JTB of the Rediscover Jamaica promotion geared towards benefitting Jamaicans socially and economically as they had the chance to experience paradise at low costs. This saw attractive rates being offered to locals for visits to local hotels and attractions across the island. The Ministry of Tourism also mandated the creation of Tourism Resilient Corridors, which encompassed the northern coast, southern coast, and New Kingston. Tourism interests are being urged to make cash injections to improve their existing properties, amid the current COVID-19 pandemic to boost investor confidence needed to jumpstart Jamaica's tourism post-COVID-19. This can be a good window of opportunity to initiate the preliminary redevelopment activities in preparation for the post-COVID-19 rebound of the tourism industry. Additionally, the development of the Reserve will create jobs during the development period and upon initiating operations. If positioned properly the Reserve can be an example of successful eco-tourism in Jamaica. Ecotourism is the largest and fastest-growing industry worldwide, accounts for 10% of the world's GDP and 7% of the global tourism market. (UNWTO, 2017).

SOCIAL FACTORS

It is envisioned that the operations at the Negril Royal Palm Reserve will attract investment and new economic activities for the surrounding communities. The proposed commercial operations in the tourism industry are an opportunity for a potential investor to not only reap positive financial benefits from operating a tourism product in a strategic location along the resilient corridor but also to engage the community to provide employment. Notably, as of April 19, 2020, approximately 75% of direct employees of tourism had been laid off in Jamaica³. Thus, there is an abundance of experienced and unskilled labour available to support the operational activities at the Negril Royal Palm Reserve. The operation of the Negril Royal Palm Reserve as an ecotourism and wellness space will provide jobs for skilled and unskilled labourers for the infrastructure development required for the facility as well as through the day-to-day operations and maintenance of the facilities.



At the time of the 2011 census, the population of Negril was 78604 persons making it about 5% of the population in the parish of Westmoreland for that year. The population growth rate at that time was 2.95%/year. Using a matrix based on the growth rate and other factors, in 2021, the population in Negril is estimated to be 104785. This population size is relatively small as compared to other parts of the parish however it shares the challenges related to crime within the parish. In this regard, in 2020 the Criminal Investigation Branch in Westmoreland reported seventy-seven (77) murders down from eighty-nine (89) in 2019. the number of violent crimes in the area for the year 2020, reflects the issues in the wider society. The Reserve through its operational activities will establish a corporate social profile with a focus on strengthening partnerships with the Negril Area Environmental Protection Trust (NEPT) and other environmental agencies to facilitate educational tours related to research and environmental preservation. Informal settlers are a noted feature around the immediate entrance of the roadway to the Reserve with approximately 10-15 structures⁶ in that area and more extensively across Negril. These informal settlers are to be taken into consideration for any major development activities for the Reserve and working with the Local Authorities to manage the stakeholders in the area. In this regard, the Negril Green Island Local Planning Authority has indicated that an island-wide Squatter Settlement Survey is currently being conducted by the Ministry of Economic Growth & Job Creation. The survey for Westmoreland is to be completed which will help to inform stakeholders of the number of settlers and the potential actions to be taken to regularize them.

The risk of the facility being plagued by criminals is possible given the overall crime statistics on the island. However, the operational design of the Negril Royal Palm Reserve will include the necessary infrastructure to safeguard property and life. A detailed security plan should be developed by the selected operator of the facility which speaks to the measures to be implemented.

TECHNOLOGICAL FACTORS

The pandemic COVID-19 has left businesses with no choice but to adapt to the increasing demand for technology and to move their businesses online. The Negril Royal Palm Reserve is located within the vicinity of a major roadway along the Negril logistic corridor. Accordingly, this facilitates easy access to



the required infrastructure for connectivity such as the internet, for the management of security systems such as CCTV and ICT solutions that will be utilized by the operator of the space and visitors.

It is anticipated that internet connectivity will be required to facilitate payments and web-based activities. There are several broadband internet providers in the Negril area such as Flow, Hometown and Cornwall Communications Limited. Some of these companies have continued to improve their broadband offerings and systems therefore, it is expected that the Negril Royal Palm Reserve will be able to access broadband internet service.

A major part of the operational activities is access to electricity and potable water. It is noted that the Reserve utilizes solar panels to generate electricity for the common areas particularly for external lighting at night. An assessment of the existing system would have to be carried out to determine capacity, particularly based on the intended enhancements to the infrastructure and increased use of the space. An expansion or upgrade of the existing system may be required based on the intended use of the space. Notably solar electricity is a good alternative energy source that is in line with the environmental focus of the facility and offers long-term low-cost benefits. Connection to the Jamaica Power Supply Company Limited's grid will need to be established as a failsafe to ensure limited disruption to the operations at the Facility.

As regards water supply, based on a site visit conducted on January 20, 2021, stakeholders indicated that there has been a major disruption in the water supply system to the Reserve which has resulted in water being trucked and stored on site. Issues related to the piping network will need to be addressed if the facility is to be fully operational. An alternative water supply option that is more in keeping with the environmental push for the area is rainwater harvesting. Notably in Negril, during the entire year, there is rainfall for 127 days with up to 1973mm (77.68") of precipitation being recorded⁷. Based on these estimates, rainwater harvesting may not fair well as the main source of water for the facility, but it can be considered as a secondary alternative, particularly during the rainy season. The cost to implement this solution would have to be weighed against the benefit and the frequency of rainfall.



ENVIRONMENTAL FACTORS

The Ministry of Tourism and its agencies are committed to building a sustainable and competitive tourism sector that focuses on becoming the main engine of economic growth while improving the socio-economic conditions of Jamaicans. Two of the Ministry's main strategic initiatives are Sustainable Tourism Development and Destination Assurance.

Travelling responsibly is becoming the preferred way to see the world. This is because of the increasing global awareness to reduce one's carbon footprint which aids in slowing global warming. Climate Change is a prevailing reality for the world and Jamaica is no different. The Climate Change Policy Framework for Jamaica (2015) highlights some expected impacts to the tourism industry which include, among other things:

1. Damage to and destruction of hotels and other tourism infrastructure located in coastal areas susceptible to storm surges, beach erosion and sea-level rise;
2. Altered seasonality, heat stress for Jamaicans and tourists, increased cooling costs, changes in wildlife and insect populations and distribution and infectious disease caused by warmer temperatures;
3. Loss and damage to archaeological, cultural and heritage attraction sites due to sea-level rise, flooding and hurricanes;
4. Diminished terrestrial and marine biodiversity;

The GOJ has shown its conscious awareness of the challenges posed by climate change through signing and ratifying the Paris Agreement. According to the Principal Director of the Climate Change Division in the Ministry of Economic Growth and Job Creation, Una-May Gordon, *"Jamaica is taking steps for the introduction of electric vehicles, the reduction in the use of fossil fuels and our fuel consumption. The establishment of the Wigton Wind Farm and solar parks like Paradise Solar Farms are all mitigation activities."*⁸ The Climate Change Policy is also currently under revision as a part of the Ministry's plan to mitigate the effects of climate change. Before the ratification of the Paris Agreement, the Ministry of Tourism had seen the importance of introducing conservation and sustainability as a major focus for the sector. The Ministry developed the Master Plan for Sustainable Tourism Development in 2002.



The Master Plan sets out objectives geared towards sustainable tourism with projections to boost the tourism products across the island. One such objective is environmental sustainability which speaks to the industry contributing to the preservation of the natural environment. According to The World Tourism Organization, sustainable tourism is "Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment, and host communities". Among the measures to secure tourism as a viable option is eco-tourism, a sub-component of sustainable tourism. It is an alternative form of tourism that involves visiting natural areas to learn, study, or to carry out activities environmentally friendly, that is tourism based on the nature experience, which enables the economic and social development of local communities. Ecotourism is perceived as an effective potential tool for sustainable development, as a result, developing countries have embraced it with one such country being Jamaica. It has been included as a part of the economic development and conservation strategies for the island. The primary focus is geared towards experiencing and learning about nature, its landscape, flora, fauna, and their habitats, as well as cultural artefacts from the locality. Additionally, the endemic yet endangered West Indian Whistling Duck number among the over fifty (50) bird species that call the Reserve home and will undoubtedly make it a delight for birdwatchers. The Reserve has a half mile boardwalk surrounded by lots of tropical foliage, which leads to the petite Cotton Tree lake where fishing is sometimes permitted. Along the boardwalk you will also find a thirty (30) feet observation tower that overlooks the mangroves. The Negril Royal Palm Reserve fits seamlessly with the objective of sustainable tourism and the preservation of the natural environment with the site being home to over one hundred and nineteen plants including the Royal Palm, the anchovy pear saw grass and ferns to name a few which allows the site to be a nature lovers delight. It falls within the boundaries of the Negril Environmental Protection Area and the physical attributes of the reserve make it an ideal place for ecotourism attractions.

Biodiversity is an important component of eco-tourism as it contributes positively to the social, environmental and economic growth of Jamaica with tourism as one of the main industries. Jamaica has a rich biodiversity, marked by high endemism of species and has been ranked fifth among islands of the world in terms of endemic plants (National Strategy and Action Plan on Biological Diversity in Jamaica 2016 – 2021). The Negril Royal Palm Reserve with the presence of the Negril Great Morass is a biodiversity



hotspot as it is rich in endemic plants and is home to many species of animals such as the endemic Jamaican Pond Turtle, birds, butterflies and plants. The Royal Palm Reserve serves as the ideal location for Bird Watchers and guided nature trail through parts of the wetland.

Importantly, a standard must be met and maintained at the Reserve to position the area in keeping with ecotourism and sustainability focus. Destination assurance which is a major aspect of the initiatives under the TPDCo will ensure that the tourism product such as that which will be offered by the Negril Royal Palm Reserve remains at the top tier and the country can maintain its competitive advantage in the global marketplace. The Climate Change and Multi-Hazard Contingency Programme falls under this strategic objective and involves the mainstreaming of climate change and disaster risk management into tourism planning and development. One strategy of the programme involves the development of a framework for disaster risk management in the tourism sector. This framework addresses the institutional arrangements for disaster risk management in the sector along with the requirements for disaster risk management planning; disaster risk assessments; and response and crisis communication in tourism. The framework also outlines the importance of disaster risk management in strengthening the resilience of the tourism sector and promoting continuity of operations in the face of any emergency or disaster.

At the national level, the National Disaster Council (NDC) is the official disaster planning body. The Office of Disaster Preparedness and Emergency Management (ODPEM) is the primary agency charged with the responsibility of coordinating and implementing the disaster risk management functions for the country. The ODPEM has the authority for the management of the various types of disasters that affect the nation. The national framework is also supported by other initiatives at the parish and sector levels. The parish mechanism functions through the Parish Disaster Committees to effect emergency response at the local level. At the tourism sector level, the Ministry of Tourism has in place an emergency management committee for managing disasters and emergencies. The Tourism Emergency Management Committee (TEMC) is a collaborative, public-private partnership between the Ministry of Tourism, emergency management agencies, and the wider tourism stakeholders with a vision of creating a fully prepared and disaster-resilient tourism sector. This entails comprehensive planning and development of strategies and plans for effective management of disasters. The Ministry also manages and operates a Tourism Emergency Operations Centre (TEOC) which serves as the primary emergency organization in charge of



coordinating the tourism sector's response and crisis communication efforts. The TEOC is the tourism sector's coordination centre for any major emergency affecting the sector.

Upon becoming an established eco-tourism space, the Negril Royal Palm Reserve will have access to the support of the Ministry of Tourism and its entities and initiatives. Notably, there are several environmental considerations for the property. Given that it is a protected area, the proposed attractions will be subject to regulations surrounding environmental preservation. Additionally, the area is currently prone to flooding when there is heavy rainfall, thus both active and passive measures should be considered when designing to mitigate against this issue. It is also recommended that monitoring of the site be undertaken before determine the most appropriate designs for flood mitigation. Additionally, the area is covered with extensive amounts of peat which will present challenges for building certain types of structures and it limits activities in the man-made ponds and lakes at the Reserve.

Another environmental consideration that directly impacts the operation of the Reserve is the Negril River that runs adjacent to the area. Possibilities are endless for the use of the river for water-based attractions to complement the other offerings at the Reserve. However, during various discussions with stakeholders, it is indicated the river requires dredging and sections of it is contaminated with effluence from the sewage treatment plant in the area. To safely access the river and establish attractions in or around it, a collaborative effort will be required with stakeholders such as the National Water Commission to find sustainable solutions which will be beneficial for the community.

LEGAL FACTORS

As an ecotourism area, the Operators of the Negril Royal Palm Reserve will have to be mindful of several policies and legislation that governs businesses, the tourism sector and reserves in Jamaica.

All tourism entities are required to have a Tourist Board licence as per Section 23A of the Jamaica Tourist Board Act (1955). The categories of licenses the Negril Royal Palm Reserve should consider are for accommodations and attractions. This is on the basis that the use of space includes cottages etc. targeted towards locals and tourists. The accommodations licence is a requirement under the Tourist Accommodation (Licence Duties) Act which provides for the imposition of licence duties in respect of the operation of tourist accommodations. This is even more important should the number of bedrooms be



more than 10 which would warrant consideration of the Hotel Keepers Liability Act and the Resort Cottages Incentives Act. The Hotel Keepers Liability Act limits the liability of housekeepers concerning the loss of or injury to certain goods or property brought to their hotel. This is supported by the Occupiers Liability Act which speaks to the liability of occupiers and others for injury or damage resulting to persons or goods lawfully on any land or other property from dangers due to the state of the property or to things done or omitted to be done. Based on the current state of disrepair of the Negril Royal Palm Reserve, it is recommended that significant infrastructure development be carried out to safeguard persons who will be visiting the area. As an ecotourism area, some serious risks must be appropriately managed and/or addressed.

The infrastructure works appropriate permits would have to be obtained from the local authorities particularly if said works involve new buildings and/or expansion of existing buildings. There are some benefits to be derived from undertaking infrastructure development particularly if space is approved to offer cottages to tourists etc. Under the Resort Cottages Incentives Act, new resort cottages are entitled to seven (7) years of relief from income tax. A resort cottage owner is also entitled to an incentive for an extension which involves adding a minimum of five (5) rooms or 30% of the original investment, whichever is greater. Under the Resort Cottages Act, owners, tenants or operators of resort cottages or groups of resort cottages are entitled to benefits.

The resort cottage incentive would be very attractive for investors and could be a good way to position the facility based on its current state of disrepair.

In addition to offering accommodations, unique activities or attractions would also increase the appeal of the facility for visitors and investors. Notably, an attractions licence application would have to be made to the JTB. The GOJ has also approved an Attractions Incentive Package from which the Negril Royal Palm Reserve Operators can benefit. This incentive is available for the establishment, refurbishment, conservation, reconstruction and repositioning of attractions in the marketplace. The features of the incentive include:

1. The importation of specific items free of GCT and Custom Duty for five (5) years (utilizing the discretionary authority of the Minister of Finance & The Public Service); and



2. Five-year exemption from corporate taxes for investors in attractions (utilizing the discretionary authority of the Ministry of Finance & The Public Service)

As a tourist attraction, the Negril Royal Palm Reserve Operator may wish to include the sale of some duty-free items, as such a licence would be required under the Tourist (Duty-Free) Shopping System Act (1974). To ensure the success of the operations at the Reserve is it important to engage with stakeholders such as the Tourism Product Development Company Ltd. (TPDCo) that has implemented the Destination Assurance Programme. The programme ensures that all the unique characteristics of a highly multi-dimensional tourism product are delivered at the highest quality.

To ensure that the destination delivers the highest quality experience, all the different variables are managed and monitored effectively. This involves the process of planning, leading, influencing and coordinating the management of the varying aspects of the destination that contribute to the visitor's experience. This mechanism is carried out through the establishments of Destination Assurance Councils (DACs) in the seven tourism resort areas. Importantly during the development of the Business and Marketing Plan, the DAC for Negril will be engaged as a major stakeholder to ensure that the Negril Royal Palm Reserve is appropriately positioned, and the proposed activities meet the standards for their endorsement.

An important part of maintaining standards will involve the persons who will be engaged by the Operators of the Reserve. The Tourism Pensions Act (TPA) which was brought into force on January 31, 2020, is important. The TPA provides for a defined contribution pension scheme for permanent, contract or self-employed tourism workers. The scheme will see persons employed or engaged in the tourism sector contributing an initial 3% of their income for the first three years and then 5% after that - this contribution is then matched by the employer. The operators of the Negril Royal Palm Reserve will need to consider the financial obligations concerning the pension scheme and ensure appropriate accounting systems are put in place to manage, monitor and record the related transactions for its employees.

In the operation of any business in Jamaica, it is imperative to be aware of the Disaster Risk Management Act particularly considering the pandemic and the vulnerabilities to natural disasters such as hurricanes. The Disaster Risk Management Act provides for the management, mitigation and reduction of risks associated with disaster. Over the last twelve months several Disaster Risk Management Orders under the



Act. Some of these measures include curfews and restrictions on the number of persons who can be gathered in space. Subject to the ongoing pandemic, the operators of the Negril Royal Palm Reserve will be mindful of the Covid-19 restrictions provided by the Disaster Risk Management Orders. Additionally, the operators will have to consider risks associated with natural disasters and guidance or protocols provided by the GOJ under the Disaster Risk Management Act.

Importantly, environmental permits and licences are required for the operation of the Negril Royal Palm Reserve and the various activities that are proposed for the location. Eco tourism and wetland modification are two of the activities that require environmental permits and licences under the Natural Resources Conservation Authority (NRCA) Act and the Town and Country Planning Authority (TCPA) Act. The functions of the aforementioned Authorities include the taking of such steps that are necessary to ensure the effective management of the physical environment of Jamaica; and the management of marine parks and protected areas.

Marketing Overview

The Toursim Industry

Table 1 - Tourism Performance Indicators, 2015-2019

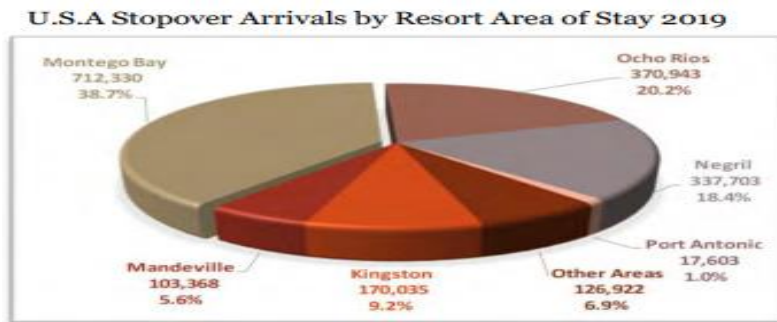
TOURISM PERFORMANCE INDICATORS, 2015–2019							
INDICATORS	2015	2016	2017	2018 ^r	2019 ^p	% Change 2018 2017	% Change 2019 2018
Foreign Nationals	1 973 217	2 020 381	2 196 301	2 298 162	2 483 169	4.6	8.1
Non-Resident Jamaicans	149 825	161 303	156 614	174 570	197 751	11.5	13.3
STOPOVER ARRIVALS	2 123 042	2 181 684	2 352 915	2 472 727	2 680 920	5.1	8.4
Cruise Passengers	1 568 702	1 655 565	1 923 274	1 845 873	1 552 346	-4.0	-15.9
TOTAL VISITOR ARRIVALS	3 691 744	3 837 249	4 276 189	4 318 600	4 233 266	1.0	-2.0
Average Length of Stay (Nights) ^a	8.8	8.8	8.4	8.2	8.0	-2.4	-2.9
Total Foreign Exchange Earnings (US\$M)	2 402.3	2 607.7	2 978.0	3 305.5	3 645.0	11.0	10.3
Stopover Foreign Exchange Earnings (US\$M)	2 264.8	2 457.9	2 800.9	3 121.16	3 482.58	11.4	11.6
Cruise Passenger Foreign Exchange Earnings (US\$M)	137.5	149.8	177.0	184.3	162.37	4.2	-11.9

Source: ESSJ, 2019 from data compiled from and supplied by the Jamaica Tourist Board

p – preliminary r – revised
 a – Average Length of Stay for Foreign Nationals Discrepancies due to rounding
 N.B. 1) Total visitor arrivals consists of Stopover Arrivals and Cruise Passengers.
 2) Stopover Arrivals consists of Foreign Nationals and Non-Resident Jamaicans

Table 1 provides a clear indication of consistent growth in international arrivals as well as locals in the Jamaica’s tourism product. In 2020, the tourism sector in Jamaica was predicted to grow by 5.2%. However, the pandemic of COVID-19 in 2020 resulted in a significant fall out for the entire sector, resulted in Jamaica losing an estimated JMD76 billion.

Comparative Analysis for Stopover Arrivals Stays



Source: Jamaica Tourist Board Travel Statistics 2019

In 2019 Negril was indicated as one of the top three (3) areas of preference for stopover visitors. This augurs well for the NRPR as a potential attraction.

ECOTOURISM DEMAND ANALYSIS

In a study on Australia’s Great Barrier Reef, Coghlan (2012) points out that it is possible to conserve natural resources at the same time as creating tourist satisfaction through providing experiences of the natural environment and provision of high-quality services. Notably, the International Ecotourism Society (IES) defines ecotourism as “responsible travel to natural areas that conserves the environment, sustains the well-being of the local people and involves interpretation and education.” Over the past decade, the amalgamation of tourism with environmental conservation has become increasingly popular.

Given the ongoing focus on the environment as well as health and wellness across the globe, even before the pandemic, the demand for more nature oriented attractions and health focused activities has grown.



In 2019, Allied Market Research estimated that the ecotourism market size was valued at USD181.1 Billion and is expected to reach USD333.8 Billion by 2027.

Based on the current developments in the ecotourism segment, with the proposed offerings of the NRPR's and its location, it is anticipated that it will thrive as an attraction for local and international travellers.

5Cs Marketing Analysis

As the Negril Royal Palm Reserve is being positioned as the new entrant to the ecotourism market, it is imperative to conduct a high-level marketing analysis with the assistance of the 5Cs tool, which speaks to in general terms the company (albeit not yet established to operate the Reserve) collaboration opportunities, customers, competitors, and climate. ecotourism destination.

COMPANY

A corporate structure must be developed to provide strategic guidance and sound management of the facility. As such, an astute investor is required to drive the business objectives while also being conscious of the environment and the stakeholders.

COLLABORATORS

With the Reserve being reintroduced as a tourist attraction it is imperative to establish strategic partnerships that will not only promote the area as an ecotourism space but also enhance its image and support its operations. The organizations listed below are a few potential partners that can offer support to the Negril Royal Palm Reserve on its path to re-establish itself.

Government/Public Sector Organization

- National Environment and Planning Agency - As part of its core functions, NEPA is responsible for conservation, protection, and environmental management across the island. It is also a major endorser and project sponsor for the redevelopment of the Reserve.



- Negril Green Island Local Planning Authority – They are essential for approvals relating to developments projects at the Reserve. But even more importantly to assist with managing informal settlements within the Negril-Green Island area.
- Ministry of Tourism and its agencies are key in driving the promotion of the island as a destination, and a key partner for Negril Royal Palm Reserve to obtain the necessary licenses and support to reintroduce its eco-tourism offerings. The Jamaica Tourist Board is the main marketing arm, while the Tourism Product Development Company would focus on upgrading or enhancing the product. With elements of heritage that could be tagged to the property, the Jamaica National Heritage Trust would be useful in that determination, adding another layer that appeals to a wider tourist market.
- JAMPRO - As the investment promotion firm, their role could be to encourage potential investor interest in the Reserve to support the redevelopment activities.
- National Water Commission - this utility company must be brought into the process as with an inflow of visitors, a reliable water supply is required.

Community-Based NGOs

The support of the Negril business community and environmental organizations can drive business and conservation activities at the Reserve. The following are a list of potential community partners:

- Negril Chamber of Commerce
- Negril Chapter of the Jamaica Hotel and Tourist Association
- Negril Environment Protection Trust:
 - Negril Area Environmental Protection Trust
 - Negril Coral Reef Preservation Society
 - Negril Education Environment Trust
- Negril Community Development Committee
- Town and Country Planning (Negril and Green Island Area)



Media Partners

The media landscape has changed significantly in the last decade and while media can be a great place to advertise, they would also serve to drive continuous awareness of the property. There are several levels to be considered to include coverage of tours (to also use social media) and to host events for live and delayed broadcasts.

CUSTOMERS

In January 2021, the Ministry of Tourism indicated that the average spend of a stopover visitor to Jamaica is only US\$134, and the average spend on a cruise is just US\$90. This is an important reality for any tourist operator, particularly as it regards attracting and increasing the visitors spend. A crucial part of attracting visitors is positioning the tourism product offering and understanding the motivations or characteristics of the target market. An eco-tourist has been associated with the following traits:

- Agreeable
- Conscientious
- Extraversion

In recent times populations have become more health-conscious, wellness-focused and environmentally aware. Notably, these characteristics are also present within the local environment. Regardless of whether the visitor is a local or an international tourist tastes as it regards to leisure activities are diverse and not homogenous. Therefore it is prudent to offer a variety of activities to appeal to various visitor preferences within the spectrum.

COMPETITORS

Competitors in this context are considered to be tourist operators in Jamaica wherein visitors are likely to offer payment for a service or experience. Accordingly, competitors for the Negril Royal Palm Reserve are broken down as follows:

Primary Attractions:



In referencing the online publication www.greenglobaltravel.com that has listed 20 things to do in Jamaica with a focus on eco-tourism sites, the following were identified attractions:

- Hiking in the Blue Mountain
- Rafting
- Riding the Bobsled at Mystic Mountain
- Touring the Green Grotto Caves
- Snorkeling at the Rockhouse, Negril
- River Tubing, Ocho Rios
- Climbing Dunn's River Falls

Some others are Gardens:

- Bath Fountain and Botanical Garden – St Thomas
- Strawberry Hill – St Andrew
- Shaw Park – St Ann
- Hope Gardens – St Andrew
- Coyaba River Garden and Museum – St Ann
- Enchanted Garden, Bird Aviary and Waterfall – St Ann
- Cinchona Botanical Garden – St Andrew

Primary Stayover locations

Lodgings with an eco-tourism appeal include Bay View Eco Resort and Great Huts in Portland among others which position themselves as eco-centric accommodations. The Reserve will have to compete in a more diverse marketplace with large and small scale entities that offer a wide cadre of products to tourists.



CLIMATE

A report from the International Ecotourism Society, presented by Dr Kelly Bricker highlights some trends and issues for the sector. In keeping with the Jamaican situation, the following are some that may relate to the Negril Royal Palm Reserve attraction.

- Green Travel is here to stay and with a 24 per cent increase in global figures over the last decade, destinations with sites are likely to experience growth in visitors.
- With technology, such a massive part of an experience consumers is also trending towards visits that can chronicle a worthwhile experience
- We are also in an environment that have Incentives (regulations) that support the growth of ecotourism sites
- Trends have also shown that the average spend of tourists has increased for who is likely to visit a destination because of ecotourism. They tend to have longer trips because of the exploration of nature. They are also more curious and will go in search of other areas as part of their experience.
- Glamping or glamorous camping is a new wave that has taken hold in the eco-tourism market. According to Forbes, the model has long been used by top tier safari lodges in Africa. It is a combination of traditional camping with the inclusion of resort-styled amenities and the estimated global value stood at \$2.1B USD in 2018.



Conclusion

The tourism sector is one of the critical drivers of GDP in Jamaica. It has seen significant increases in visitor arrivals over the years with the exception of the year 2020 which saw drastic declines in visitors due to the Covid-19 pandemic. It is anticipated that with the distribution of vaccines around the globe, international travel will rebound and so will the tourism sector in Jamaica. Jamaica has continued to maintain positive drivers to encourage tourism including:

- A stable government and availability of labour within the sector
- Improved internet connectivity, with mobile data coverage
- Encouraging tax incentives for the tourism sector and legislative and regulatory structure to support it.

International forecasts also indicate a growth in ecotourism, a market that NRPR can tap into. To support its positioning strategies will be deployed to bolster weaknesses such as its current state of disrepair wherein a project for its redevelopment will be undertaken. Additionally, strategies to ensure appropriate marketing will be rolled out as it is currently non-operational with limited awareness of its potential offerings.

A strategic approach is also recommended to manage or mitigate potential threats that can negatively impact the operations of the area as an ecotourism attraction. These include the development of flood mitigation infrastructure as the area is prone to flooding during period of heavy rainfall. Additionally, an appropriate response must be put in place to manage security concerns particularly based on the issues related to crime and violence. This must be effectively managed from an operational perspective.

Another important threat for any new business operation are competitors. The NRPR would be the only attraction of its kind in the Negril area however it is not immune to competition posed by more recognized nature reserves and ecotourism destinations in LATAM, as well as resorts and attractions in its immediate environs (for example Sunset at the Palms) and those located in other parishes in Jamaica (such as Great Huts in Portland). Appropriate targeting and positioning of the NRPR would have be conducted identifying it as a unique alternative for nature lovers. Also through strategic partnerships with public and private sector organisations in the area will assist with driving traffic to the NRPR. This collaborative approach is seen as a key opportunity for the space as well as the noted global projections of increased demand for ecotourism offerings.



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