



CARNIVAL BUSINESS LINKS

A Publication of the National Carnival Commission's Strategy & Business Development Unit
Providing Business Data and News Relevant to the Carnival Industry



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WORLD

2015- 2024 International Decade for People of African Descent

The United Nations General Assembly has declared January 1, 2015 to December 31, 2024 as the International Decade for People of African Descent. The United Nations Educational, Scientific and Cultural Organisation (UNESCO), through its Director General, Irina Bokova, indicated that the "Decade" is designed to transform into action, the recognition of the significant contribution made by African men and women to societies.

Source: www.unesco.org

Forbes' Best Countries for Doing Business

The Forbes Best Countries for Business Report (2014) resulted in Denmark on top with the United Kingdom and the United States unable to find a place in the top ten. They were ranked 13th and 18th, respectively. Jamaica led the countries in the Caribbean at 64 out of 146 countries. Trinidad and Tobago was ranked 71 and Barbados 73. The report is compiled based on 11 factors: property rights, innovation, taxes, technology, corruption, freedom (personal, trade and monetary), red tape, investor protection and stock market performance. Each factor was equally weighted. The data was sourced from published reports of Freedom House, Heritage Foundation, Property Rights Alliance, Transparency International, World Bank and World Economic Forum.

Table 1 Forbes' Best Countries for Doing Business

Country	GDP Per Capita/US\$
1. Denmark	37,800
2. Hong Kong	52,700
3. New Zealand	30,400
4. Ireland	41,300
5. Sweden	40,900

Source: www.forbes.com

2015 A Make or Break Year?

International Monetary Fund (IMF) chief, Christine Lagarde, in an article entitled "Why 2015 is a make-or-break year for the economy," highlighted that worldwide policymakers face three major choices and provided some solutions:

- 1) **Strive for economic growth or accept stagnation** – Growth and jobs support prosperity and social cohesion. Thus, economies need renewed policy momentum (such as, accommodative fiscal policies and labour-market policies) in order to break free from stagnation. Therefore, by increasing world GDP and closing the gender gap by including more women in the workplace a country can strive for economic growth.
- 2) **Improve stability or risk giving into fragility** – The world has become increasingly interconnected, as such shifts in one market can affect all markets globally. The culture of financial sectors need to change in order to improve transparency, restore trust and enforce ethical behavior.
- 3) **Cooperate or go it alone** – Integration of the global economy has become closer over the years with new actors emerging, like NGOs and citizen activists who are empowered by social media. "The new networks of influence should be embraced and given space in the twenty-first century architecture of global governance" i.e. "new multilateralism". (Lagarde 2015).

Whether an economy makes or breaks in 2015, depends on the right choices being made.

Source:

<https://agenda.weforum.org/2015/01/why-2015-is-a-make-or-break-year-for-the-economy/>

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<http://www.acpfilms.eu/htdocs/modules/smartsection/index.php#ancre1>

Handbook on Copyright and Cinematographic and Audiovisual Contracts

REGION

Caribbean Carnivals Competing against T&T's.

The first issue of Carnival Business Links highlighted that visitation during the Carnival period peaked at 42,868 tourist arrivals in 2006. Successive years have declined and increased but no increases as high as the 2006 arrivals. This could be attributed to a number of factors including the product offering and the cost of participation. But what about the competition?

There are twelve other pre-Lenten Carnivals taking place in the Caribbean around the same time as Trinidad and Tobago's (T&T's). The Caribbean Carnival Competition Matrix (Scott, 2014) identifies four distinct periods during which Carnival takes place in the region: Pre-Lent, Summer, December-January; and April-May. Of these pre-Lenten Carnivals, Dominica and Trinidad and Tobago are the only English speaking territories that host their Carnivals during this period. There aren't any known national Carnivals in the Caribbean taking place in September, October or November. Here-in lies an opportunity during this tourism trough period.

While many have sought to mimic the Trinidad-style Carnival, safety concerns, attractive outbound fares from Trinidad to North America for locals, limited hotel room stock options for visitors and other financial considerations could account for consumers staying away from T&T's Carnival. Others would argue it's all in the product and current Carnival experience. If the goal is to grow the number of visitors during the Carnival period we have to thoroughly assess not only the product but competition, which always represents a threat in any business scenario analysis. Despite the assumed strength of T&T's Carnival, it cannot afford to be complacent. One cannot just keep saying "We have the best Carnival" and do little to innovate or improve, while competitors are in continuous improvement mode.

T&T's Carnival has evolved, but has it improved? T&T will have to come to terms with the fact that other countries want to grow their own Carnivals. The expansion of T&T's export of Carnival related-services regionally and internationally must be considered. The current subsistence living by some smaller players in the industry, could be augmented by skilled Carnival arts personnel including designers, seamstresses, wire benders, and entertainers, exporting their skills and products more aggressively to other countries that host Carnival events.

The competitors are looking on -Bahamas' traditional December month Junkanoo, has moved to May from 2015, and is now called Junkanoo Carnival. Could other shifts be in the making as destinations create cultural events to stimulate their local economies?

Table 2 Caribbean Carnival Competition Matrix©

Pre-Lent (Feb/Mar) Aruba Bonaire Cuba Curacao Dominica Dominican Republic Guadeloupe Haiti Martinique Puerto Rico St. Barts St. Martin Trinidad & Tobago	Summer (Jun/Jul/Aug) Anguilla Antigua Barbados Br. Virgin Islands Grenada Saba St. Lucia St. Vincent & The Grenadines
December-January Bahamas* Montserrat St. Kitts & Nevis Turks & Caicos St. Croix	April-May Bermuda Cayman Islands Jamaica St. Eustatius St. Maarten St. Thomas

* Moved to May from 2015

©Mareba M. Scott (2014)





Caribbean's Share of Global Tourism Under Threat

A recent study by the International Monetary Fund (IMF) entitled "Revisiting Tourism Flows to the Caribbean: What is Driving Arrivals?" has found that the nominal cost of a one week beach holiday in the Caribbean is higher than other beach destinations around the globe. The results point to the need to address product quality and cost. The study recommends that given the sensitivity of tourism demand in the Caribbean more must be done to diversify its source market including large markets in Latin America. Guyana, Haiti, Suriname and Trinidad and Tobago were not included in the report as they are considered non-tourism based economies.

Source: International Monetary Fund

TRINIDAD & TOBAGO

Beyond Oil and Gas...

NCC's Strategy and Business Development team participated in what was labelled as an "event" to share new research on Economic Development and Social Progress beyond Oil and Gas" last December. The event was held at the Arthur Lok Jack Graduate School of Business. The main headline for the event "Beyond Oil and Gas" was misleading as there was very little discussion beyond oil and gas, with the exception of the Economic Development Board Executive Director's brief presentation on the country's diversification strategy and the cluster approach. The creative sector, inclusive of Carnival and cultural events were numbered among the areas targeted as part of an export-driven diversification strategy.

Often as revenues from oil and gas decline there is a renewed thrust to the diversify the economy, but the "event" missed out on a real opportunity to identify what pitfalls need to be avoided in the future to ensure that diversification plans come to fruition and that there are tangible gains in the emerging industries/sectors each year. These tangible gains are particularly important in the light of the fact that new research presented on the Social Progress Index indicate that some poorer countries were ranked higher on the Index than Trinidad and Tobago. These countries (e.g. Jamaica) were able to achieve a higher level of social progress (and more national equity) with less resources at their disposal.

Understanding the T&T Carnival Industry

One of the "objects" of the National Carnival Commission (NCC) as specified in Act No. 9 of 1991 (to establish the NCC) is to make Carnival a viable, national, cultural and commercial enterprise. As such, it has long been the mandate of the NCC to develop the Carnival industry. Recently, greater emphasis is being placed on not only Carnival the event but developing the Carnival industry. While there is no agreed definition of the Carnival industry, a number of sectors have been identified (See figure below, The Carnival Industry).

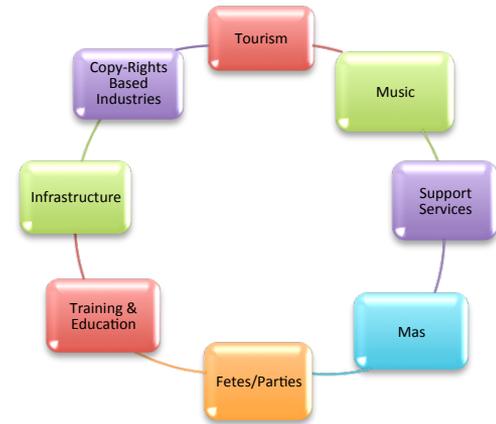


Figure 1 The Carnival Industry

Some of the identified sectors are over-lapping and complementary. Music (calypso, soca, pan & pan manufacturing, chutney), mas and tourism are the sectors typically identified. Tourism, for example includes eight sub-sectors: accommodation, attractions, adventure tourism, events and conferences, food and beverage, tourism services (e.g. tourism boards, associations and research), transportation and the travel trade (e.g. tour operators, booking agencies). The copy-right based industries is also quite diverse and includes press and literature, video, video games, film, collection management organisations, radio, television, theatrical productions and advertising.





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Understanding the T&T Carnival Industry (Cont'd from Pg 3)

The World Intellectual Property Organisation (WIPO) estimated that in 2011, Trinidad and Tobago earned US\$50 million in foreign exchange from copy-right based industries. An increase from the previous estimate. The fete/party industry is also growing and includes band launches, cooler fetes, all-inclusive fetes, public fetes and beach/cool down fetes. Another Carnival sector is infrastructure, which supports state and private sector Carnival events. Stages, bleachers, dressing rooms, toilets, sound systems, lighting, *inter alia* are included in the infrastructure requirements for events. Support services incorporate security services/management, advertising, fashion and health. Training and education is needed to support all the previously mentioned sectors.

For more information on Carnival sectors visit <http://www.ncctt.org/new/index.php/carnival-history/development-programme.html>.

Carnival Stakeholders' Business Needs Assessment Report 2015

The Carnival Stakeholders' Business Needs Assessment Survey conducted by the Strategy and Business Development Unit of the National Carnival Commission (NCC) was completed in January 2015. The purpose of the research was to identify and prioritize the areas of business training that the respondents would need in order to develop and grow their businesses into a year-round sustainable enterprise. The report was completed in March 2015, using the data from 157 respondents. The largest percentage of survey respondents (54%) came from four vending associations. The Carnival sub-sector businesses represented were Food & Beverage Vending (30 %), Mas (27 %) and Handicraft Vending (24 %); Calypso/Soca Music (16%), Steelpan (1%) and Other (2 %).

Table 3 highlights Survey Respondents' Business Training Areas and Level of Interest with funding, customer service and creativity and innovation dominating the "very interested" responses. The NCC will use the information from the survey to prioritize future business development training.

Table 3 Survey Respondents' Business Training Areas and Level of Interest

Area of Interest	Level of Interest				
	Very Interested	Somewhat Interested	Neutral	Not very Interested	Not at all Interested
Creativity & Innovation	106	18	3	1	6
Preparing Financial Statements	93	21	13	0	4
Branding	90	16	10	2	2
Customer Service	102	12	10	9	0
Use of Technology for Business	96	18	8	2	3
Accessing Funding for Business	121	11	9	2	3
Exporting My Product/Service	92	18	5	3	2
Business Incubation	79	18	12	5	5

T & T Economic Indicators at a Glance

	Q1- 2014	Jan- Sep 2014	Q1Fiscal 2014/2015
Unemployment Rate (%)	3.1		
Total Labour Force	664,300		
Total Person with Jobs	643,500		
Headline Inflation (%)			9 (Nov '14)
Balance of Payments (US\$ Million)		132.3	
Gross Public Debt (% GDP)			59
Net Official Reserves (US\$ Million)		10,119.3	
Import Cover (in months)		11.5	

Source: Central Statistical Office
Central Bank of Trinidad and Tobago