



# ANNUAL REPORT

2017-2018

**BARBADOS**  
TOURISM MARKETING INC.

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# BARBADOS<sup>®</sup>

TOURISM MARKETING INC.

## VISION

Our vision sees Barbados elevated to the top of its capacity as a globally competitive, warm-weather destination, with tourism sustainably enhancing the quality of life of visitors and Barbadians together.

## MISSION

Our mission is to develop and apply exceptional marketing capabilities in the process of telling the authentic brand story of Destination Barbados. It further calls for us to galvanize all partners to elevate Barbados' tourism to new heights; while doing so in a fiscally prudent and sustainable manner.

Our focus in carrying out our mission will be on highly targeted marketing efforts guided by sound market intelligence and research. This will enable us to deploy effective and efficient marketing initiatives with a concentration on the utilization of digital marketing.

We will achieve our mission by employing and developing the talents of our staff while ensuring that they are all fully cognizant and compliant with our policies and practices so as to empower them to operate freely, expeditiously, and in the best interest of Destination Barbados; our Government shareholder; our visitors and the wider community. Emphasis will also be placed on the importance of professionalism; a customer-focused approach to business; innovation, passion and continuous improvement.

## VALUES

Flexibility  
Speed  
Results Orientation  
Process Driven

# SECTION ONE

The background of the page is a photograph of two polo players on horseback in a grassy field. The player on the left is wearing a blue shirt and a grey horse, while the player on the right is wearing a white and yellow striped shirt and a brown horse. Both are wearing helmets and holding mallets. Overlaid on the image are several white, hollow geometric shapes, including triangles and diamonds, some of which are nested or overlapping.

- CHAIRMAN'S MESSAGE
- PERFORMANCE SUMMARY
- VISITOR EXPENDITURE
- BOARD OF DIRECTORS & MANAGEMENT
- EMPLOYEE DEPARTURES

# CHAIRMAN'S MESSAGE

2017-2018



**ROSEANNE MYERS**

CHAIRMAN, BTMI

AS AT NOVEMBER 2021

The concluded 2017-2018 financial year was definitely a record year to date for the Barbados Tourism Marketing Inc. (BTMI), which recorded an increase of 5.5 percent in stay-over visitor arrivals. Almost all markets recorded positive growth in arrivals thanks to attractive airfare and increased airlift.

On the behalf of the Board, I congratulate the management and staff of the BTMI for the positive results seen in the level of arrivals driven by the initiatives implemented. Of particular note is that the

2017/18 audited financial statement demonstrated an adherence to, and strengthening of the policies and systems, started in 2016/17. This has lead to an unqualified audit opinion which was finalized September 2021.

Despite Brexit occurring in 2017 and the strength of the pound declining in relation to the US dollar, this market managed to gain a slight increase for the reporting period. This increase can be attributed to improvements in the UK's overall seat capacity to Barbados.

## PERFORMANCE SUMMARY 2017-2018

For the reporting period of April 1, 2017 to March 31, 2018, there was an increase of 5.5 percent in stay-over visitor arrivals when compared to the same period of 2016/2017. There were a number of positive performances however the "Other" category had the highest increase with 26.6 percent. The **United States** and **Canada** followed with increases of 10.8 percent and 6.1 percent, respectively. During this period there was only a decline in the Central & South American market. This market experienced a decrease of 14.9 percent.

The **United Kingdom** once again prevailed as the top producing market and accounted for 33 percent of traffic to Barbados with 224,589 arrivals. This market recorded an increase of 1.5 percent or 3,234 more visitors when compared to the corresponding period 2016/2017.

The **United States** followed as the second highest producer of business (29 percent), contributing 195,036 arrivals, resulting in an increase of 10.8 percent.

The **Caribbean** market was the third highest producer for the reporting period, resulting in 16 percent of overall business and registered a gain of 5.8 percent. **Trinidad & Tobago** was the highest contributor from this market, capturing 32.5 percent of the share with 36,021 arrivals. Arrivals from the **Other Caribbean** countries increased by 3,027.



**The average daily spend for 2017 was an estimated US\$173.43, an increase of 3.3%...**

**Canada** contributed 13.0 percent of traffic for the reporting period, with 87,459 arrivals. This market experienced a 6.1 percent growth.



**Total visitor expenditure on island grew from US\$ 985.7 million during 2016 to US\$ 1,022.8 million in 2017. This was achieved by increases in both visitor arrivals and the average daily spend.**

**Europe** provided 6.0 percent of the arrivals to Barbados which resulted in 37,163 visitors from this market; it experienced an increase of 2.8 percent. **Germany** recorded 11,353 arrivals, a 6.3 percent increase or 670 more visitors; this increase was caused by a 9.9 percent growth in Condor's traffic. **Other Europe** also experienced a growth of 1.4 percent or 357 more visitors.

**Central & South America** accounted for just 1.0 percent of the arrivals to Barbados and experienced a decline of 14.9 percent.

**Colombia** emerged as the top producer for this market, contributing 1,662 arrivals but recorded a 7.6 percent decrease. Meanwhile, there was also a 16.3 percent decrease in **other Central & South American** territories. These declines in arrivals were a result of the discontinuation of the Avianca service out of Bogota.



Total visitor expenditure on the island grew from US\$ 985.7 million during 2016 to US\$ 1,022.8 million in 2017. This was achieved by increases in both visitor arrivals and the average daily spend.

Visitors from the **UK** contributed 46.3 percent of the overall total expenditure followed by visitors from the **USA** (23.4 percent) and **Canada** (12.8 percent). These top three generating markets accounted for 82 percent of the overall expenditure, and subsequently recorded increases of +5.8 percent (**United Kingdom**), +7 percent (**United States**) and +5.5 percent (**Canada**).

The average daily spend for 2017 was an estimated US\$173.43, an increase of 3.3% or US\$5.60 more when compared to the estimated total of US\$167.83 for 2016.



**Despite Brexit occurring in 2017 and the strength of the pound declining in relation to the US dollar, this market managed to gain a slight increase for the reporting period.**

Visitor spending in Barbados ranged from US\$123.48 (“**Other**”) to \$US202.45 (**United Kingdom**) per day. There was an equal amount of decreases and increases in daily visitor spend among the markets. **Canada** recorded the highest increase with +7 percent while **Other Europe** recorded the largest decrease with -12.8 percent.





## BOARD OF DIRECTORS

**Alvin Jemmott** - Chairman  
**Nicholas Brancker** - Deputy Chairman  
**Kevyn Yearwood**  
**Cecil Miller**  
**Anthony Arthur**  
**Cranston Browne** - Representative NCF  
**Kashka Haynes**  
**Donna Cadogan** - Permanent Secretary, Ministry of Tourism

## SENIOR MANAGEMENT

**William Griffith** - Chief Executive Officer (Contract)  
**Atilola Harper** - Senior Director Support Services (Contract)  
**Cheryl Carter** - Director (UK)  
**Robert Chase** - Director Marketing  
**Cheryl Franklin** - Director Cruise (Contract)  
**Corey Garrett** - Director (Caribbean and Latin America) (Contract)  
**Carol-Ann Jordan** - Director Human Resources & Corporate Services  
**Peter Mayers** - Director (Canada)  
**Michelle Moore** - Director Finance  
**Anita Nightingale** - Director (Europe) (Contract)  
**Petra Roach** - Director (USA) (Contract)

## EMPLOYEE DEPARTURES



### **Margaret Massiah**

Office Attendant (Temp) - Sep 15, 2017

### **Janice Thorne**

Personal Assistant (Deceased) - Sep 17, 2017

### **Carol-Ann Jordan**

Director Human Resources & Corporate Services - Feb 28, 2018

### **Shakida Grant**

Marketing Operations Manager - Mar 27, 2018

# SECTION TWO

- OVERVIEW
- MARKET PERFORMANCE
- VISITOR EXPENDITURE
- CRUISE ARRIVALS
- AIRLIFT

## OVERVIEW

For the reporting period of April 1, 2017 to March 31, 2018, there was an increase of 5.5% in stay-over visitor arrivals when compared to the same period of 2016/2017. There were a number of positive performances, however, the "Other" category had the highest increase with 26.6%. The United States

and Canada followed with increases of 10.8% and 6.1% , respectively.

During this period there was only a decline in the Central & South American market; this market experienced a decrease of 14.9%.

### STAY-OVER ARRIVALS BY MAJOR MARKETS

MAJOR MARKETS	2016/2017	2017/2018	AB CHG	%CHG
United Kingdom	221,355	224,589	3,234	1.5
United States	175,960	195,036	19,076	10.8
Canada	82,419	87,459	5,040	6.1
Other Caribbean	71,622	74,649	3,027	4.2
Trinidad & Tobago	33,020	36,021	3,001	9.1
Other Europe	25,453	25,810	357	1.4
Germany	10,683	11,353	670	6.3
Central & South America	11,063	9,416	-1,647	-14.9
Other	8,772	11,104	2,332	26.6
<b>Total</b>	<b>640,347</b>	<b>675,437</b>	<b>35,090</b>	<b>5.5</b>

## MARKET PERFORMANCE

The **United Kingdom** once again prevailed as the top producing market and accounted for 33% of traffic to Barbados with 224,589 arrivals. This market recorded an increase of 1.5% or 3,234 more visitors when compared to the corresponding period 2016/2017.

Despite Brexit occurring in 2017 and the strength of the pound declining in relation to the US dollar, this market managed to gain a slight increase for the reporting period. This increase can be attributed to improvements in the UK's overall seat capacity to Barbados.

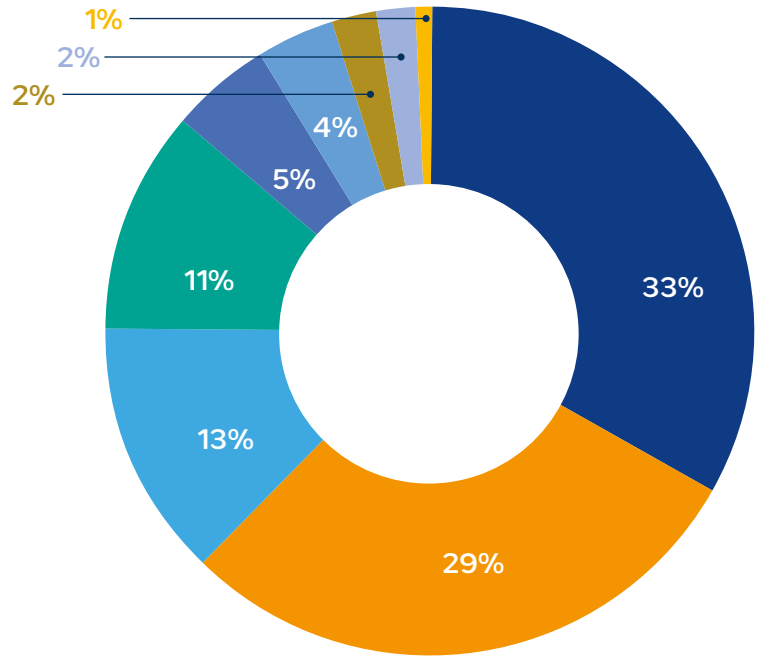
The **United States** followed as the second highest producer of business (29%), contributing 195,036 arrivals, resulting in an increase of 10.8%.

The **Caribbean** market was the third highest producer for the reporting period, resulting in 16% of overall business and registered a gain of 5.8%.

**Trinidad & Tobago** was the highest contributor from this market capturing 32.5% of the share with 36,021 arrivals. Arrivals from the **Other Caribbean** countries increased by 3,027.

## Market Share - 2017/2018

- United Kingdom
- United States
- Canada
- Other Caribbean
- Trinidad & Tobago
- Other Europe
- Germany
- Central & South America
- Other



**Canada** contributed 13% of traffic for the reporting period, with 87,459 arrivals. This market experienced a 6.1% growth.

**Europe** provided 6% of the arrivals to Barbados, which resulted in 37,163 visitors from this market; however, it experienced an increase of 2.8%.

**Germany** recorded 11,353 arrivals a 6.3% increase or 670 more visitors; this increase was caused by a 9.9% growth in Condor's traffic. **Other Europe** also experienced a growth of 1.4% or 357 more visitors.

**Central & South America** accounted for just 1% of the arrivals to Barbados and experienced a decline of 14.9%.

**Colombia** emerged as the top producer for this market, contributing 1,662 arrivals but recorded a 7.6% decrease. Meanwhile, there was also a 16.3% decrease in **other Central & South American** territories. These declines in arrivals were a result of the discontinuation of the Avianca service out of Bogota.

## VISITOR EXPENDITURE

ESTIMATED VISITOR EXPENDITURE JANUARY TO DECEMBER 2015 VS 2016										
REGION	ARRIVALS		LOS		AVG SPEND (US\$)		TOTAL EXPENDITURE		AB CHG	%CH
	2016	2017	2016	2017	2016	2017	2016	2017		
United States	168,945	188,460	8.0	7.6	\$167.90	\$166.32	\$226,719	\$239,198	\$12,479	5.5
Canada	78,903	85,047	11.3	10.7	\$137.82	\$143.21	\$122,407	\$130,920	\$8,513	7.0
United Kingdom	218,638	217,441	11.1	10.8	\$184.68	\$202.45	\$447,368	\$473,472	\$26,104	5.8
Other Europe	39,770	40,202	9.7	9.3	\$169.43	\$152.97	\$65,464	\$57,108	(\$8,356)	-12.8
Caribbean	99,679	103,030	6.2	5.9	\$154.73	\$154.90	\$95,106	\$94,842	(\$264)	-0.3
Other	25,578	26,980	8.3	8.2	\$135.52	\$123.48	\$28,665	\$27,260	(\$1,405)	-4.9
<b>Total</b>	<b>631,513</b>	<b>661,160</b>	<b>9.3</b>	<b>8.9</b>	<b>\$167.83</b>	<b>\$173.43</b>	<b>\$985,728</b>	<b>\$1,022,798</b>	<b>\$37,070</b>	<b>3.8</b>

## AVERAGE DAILY EXPENDITURE

The average daily spend for 2017 was an estimated US\$173.43, an increase of 3.3% or US\$5.60 more when compared to the estimated total of US\$167.83 for 2016.

Visitor spending in Barbados ranged from US\$123.48 (“Other”) to US\$202.45 (United Kingdom) per day. There was an equal amount of decreases and increases in daily visitor spend among the markets. Canada recorded the highest increase with +7% while Other Europe recorded the largest decrease with -12.8.

## TOTAL VISITOR EXPENDITURE

Total visitor expenditure on the island grew from US\$ 985.7 million during 2016 to US\$ 1,022.8 million in 2017. This was achieved by increases in both visitor arrivals and the average daily spend.

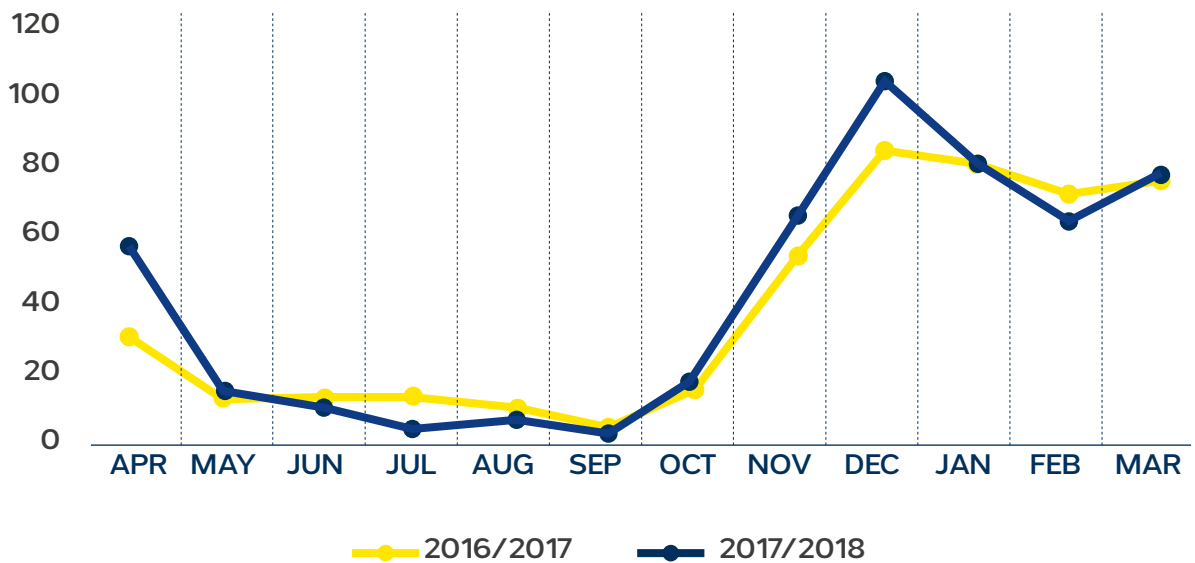
Visitors from the UK contributed 46.3 percent of the overall total expenditure followed by visitors from the USA (23.4%) and Canada (12.8%). These top three generating markets accounted for 82 percent of the overall expenditure, and subsequently recorded increases of +5.8% (United Kingdom), +7% (United States) and +5.5% (Canada).

## CRUISE ARRIVALS

CRUISE ARRIVALS	2016/2017	2017/2018	AB CHG	%CHG
April	45,531	76,889	31,358	68.9
May	19,912	20,838	926	4.7
June	19,588	21,683	2,095	10.7
July	17,580	13,760	-3,820	-21.7
August	20,653	19,558	-1,095	-5.3
September	16,134	8,749	-7,385	-45.8
October	14,936	21,120	6,184	41.4
November	69,010	75,592	6,582	9.5
December	116,629	121,898	5,269	4.5
January	119,148	123,114	3,966	3.3
February	95,874	78,433	-17,441	-18.2
March	86,092	91,318	5,226	6.1
<b>Total</b>	<b>641,087</b>	<b>672,952</b>	<b>31,865</b>	<b>5.0</b>

The Bridgetown Port welcomed 672,952 cruise arrivals in 2017/2018, up from the 641,087 cruise arrivals recorded during the corresponding period of 2016/2017; an increase of 5%.

There were declines during the months of September (45.8%), July (21.7%), February (18.2%) and August (5.3%), while the remaining months experienced growths ranging from 3.3% to 68.9%.



There was an increase in the number of cruise ship calls to Barbados when compared with the corresponding period of 2016/2017.

Cruise calls increased from 453 calls during 2016/2017 to 499 calls during 2017/2018.

## AIRLIFT

### UNITED KINGDOM

The three (3) major carriers carrying the bulk of visitors for this market were British Airways, Virgin Atlantic and Thomas Cook.

Airline seat capacity out of the United Kingdom increased by 5.9% or 15,868 more seats during 2017/2018 when compared to 2016/2017.

#### British Airways

The BA service from Gatwick had 1,174 fewer seats or a decrease of 1.4%.

#### Virgin Atlantic

There were increases of 3.9% and 8.9% in Virgin's service out of Gatwick and Manchester respectively. A new service from Heathrow was introduced in December 2017 and contributed 5,852 additional seats for the reporting period.

### Thomas Cook

Thomas Cook introduced a new service from Gatwick in the month of December 2017 which contributed an additional 4,550 seats for the reporting period.

### UNITED STATES

Overall seat capacity from the United States decreased by 4.6% or 16,018 seats during the reporting period. There were a number of factors for this decrease, namely:

- A decrease in American Airlines service from Florida (PM)
- Decreased seat capacity from JetBlue's Fort Lauderdale service
- A 7.5% decrease in seat capacity from JetBlue's additional service
- The Delta service from Atlanta being discontinued in September which resulted in 10,880 fewer seats

## CANADA

Seat capacity for this market had an increase of 5,180 seats during the reporting period.

Air Canada's Montreal service seat capacity increased by 2.9% while the service from Toronto also experienced an increase of 4.1% in seat capacity. West Jet contributed an additional 1,852 seats from this market.

## EUROPE

Condor was the only major carrier from this market, however, it experienced an increase of 9.9%.

## CENTRAL & SOUTH AMERICA

The discontinuation of the Avianca service from Bogota, Colombia resulted in 6,600 fewer seats from this market.





# SECTION THREE

- MARKETING REPORT
- MARKETING INITIATIVES
- UNITED KINGDOM
- USA
- CANADA

# 2017/2018 MARKETING REPORT

## STRATEGY

- Built on the research undertaken by Environics Analytics and developed effective messaging and robust communications strategy to attract key segments
- Affluent Older Families Couples
- Young Affluents
- Comfortable Families
- French Couples & Families
- Increased Tour Operator reach to ensure a broader distribution of the Barbados product to include all hotel categories and ancillary services
- Capitalized on the advent of new/upgraded All Inclusive product on the island (Sandals Barbados, Waves, The Sands)
- Capitalized on the restored relationship with Virtuoso which assisted in reaching the affluent market
- Leveraged the Multigenerational Family Travel
- Advanced our efforts via digital platforms

## MARKETING GOALS

- Further developed the diversification strategy to secondary markets to mitigate against the impact of macro-economic issues affecting our major source markets
- Developed an airline growth strategy in key markets that aligned with the growth of the accommodation sector
- Increased the visibility and brand recognition

of Barbados as an aspirational and attainable destination

- Achieved integration in the sales and marketing efforts across the entire organization
- Pursued aggressive marketing programs to defend our airlift capacity
- Reduced seasonality in visitor travel patterns

## MAJOR MARKET OPPORTUNITIES

- Continued growth of USA airlift
- Increased home porting
- Increased spend of cruise ship visitors resulting from better on the ground itineraries
- Growth in French visitor travel as a result of code share and connections through Martinique via Air Antilles
- Rebound of the German market after the operational impact of the crash in the reservations system
- Replacement of GOL with a more robust carrier out of Colombia
- New air seats out of Canada
- Summer period growth from the hosting of CARIFESTA in addition to Crop Over for Caribbean travel growth
- Prospect of new Virgin Atlantic service from Heathrow
- Prospect of new Thomas Cook service out of Gatwick

## MARKETING INITIATIVES

### UNITED KINGDOM

The overall target set for the destination out of the UK market was to realize, at minimum, a 2-3% growth by year-end or an additional 5,115 visitors. This figure reflected the real growth opportunity presented by increased airlift out of the market, in the shape of enhanced capacity by Virgin Atlantic and British Airways out of their Gatwick hub, the increase of service from Manchester by Virgin, and the addition of services by Virgin and Thomas Cook from Heathrow and Gatwick respectively.



**The UK market strengthened relationships with key airlines, top producing tour operators and travel agents which helped to keep Barbados top of mind, not only for consumers, but for our travel partners.**

The market arrested the decline in the luxury segment for 2017, reversing the 2,500 fall-off through a mix of initiatives with luxury operators in the market, which included, the luxury roadshow series in Chester, Greater Manchester and London in April 2017.







The marketing initiatives took advantage of the behind the gateway opportunities made possible by increased connectivity through Virgin Atlantic and British Airways out of Scotland and Ireland, which saw an 8%, 1% and 2% increase respectively over the previous year. Initiatives such as the Scottish and Irish agents' FAM, as well as a media trips tailored specifically to press from Scotland, Ireland and Wales, assisted the BTMI UK in realizing an increase in both territories.

The Year of Sports was leverage to drive incremental business within Barbados' expansive portfolio of events and activities. Increased visibility was achieved through a number of events, such as the Sir Garfield Sobers International Schools Cricket Tournament, where a number of teams participated in this year's event, and the Barbados Rugby 7s Tournament, which saw an increase in teams out of the UK participate.

The market intensified efforts around niche and lifestyle segments which drove incremental growth for 2017. Major events such as Crop Over and the Food and Rum Festival, headlined by British Chef Tom, Aikens were key drivers. However, smaller events also reaped great rewards, such as the Celtic Festival, where 200 fiddlers and performers visited the island in May 2017 from Ireland and Scotland. The addition of the Cycling Festival and the Wellness Festival in the 3rd quarter of 2017 saw new interest generated in Barbados and drove visitor traffic and spend in one of the traditionally quieter months on the tourism calendar.

The UK market strengthened relationships with key airlines, top producing tour operators and travel agents, which helped to keep Barbados top of mind, not only for consumers, but for our travel partners. This was a key component in driving improved performance in segments such as luxury, and the backbone of the success achieved in the behind the gateway cities such as Edinburgh, Glasgow, Newcastle, Dublin and Belfast, where greater links and relationships with the travel trade are being forged.

## BUDGET

 <b>Promotions</b> <b>\$1,261,050.00</b>	 <b>Contributions &amp; Sponsorship</b> <b>\$45,550.00</b>	 <b>Public Relations</b> <b>\$903,000.00</b>
 <b>Salaries &amp; Benefits</b> <b>\$1,235,151.20</b>	 <b>Operational Expenses</b> <b>\$518,540.00</b>	 <b>Marketing</b> <b>\$7,358,500.00</b>



### Co-Op Marketing

Virgin Airlines  
British Airways  
Thomas Cook



### Public Relations Activities

Chelsea Flower Show  
Press Groups  
Barbados Road Show



### Promotions

Trade Incentive Program  
Sales Program  
Barbados Family & Friends Program  
Tactical Promotions  
Barbadian Association Events  
Industry Events (CTO, ABTA, CHA)  
Contributions & Subscriptions

## PROMOTIONS

### ADVERTISING & MARKETING INITIATIVES & FEES

#### Expenditure

**\$2,358,500.00**

Continued to portray Barbados as an iconic, aspirational and multifaceted destination utilising a diverse mix of media

### CO-OP MARKETING

#### Expenditure

**\$1,000,000.00**

Continued to leverage relationships with key tour operator partners and increased level of co-op marketing activity to maximise current airlift

#### **CO-OP MARKETING VIRGIN AIRLINES**

##### **Expenditure**

**\$1,500,000.00**

Developed joint advertising campaigns and other promotional opportunities aimed at both the travel trade and consumer to increase awareness and stimulate sales

#### **CO-OP MARKETING BRITISH AIRWAYS**

##### **Expenditure**

**\$1,855,000.00**

Developed joint advertising campaigns and other promotional opportunities aimed at both the travel trade and consumer to increase awareness and stimulate sales

#### **CO-OP MARKETING THOMAS COOK**

##### **Expenditure**

**\$645,000.00**

Developed joint advertising campaigns and other promotional opportunities aimed at both the travel trade and consumer to increase awareness and stimulate sales

#### **PUBLIC RELATIONS ACTIVITIES PROJECTS & FEES**

##### **Expenditure**

**\$665,000.00**

Developed and implemented a varied and proactive PR plan that spanned the year combining creative media relations with a targeted visiting journalist programme that generated high profile coverage

#### **PUBLIC RELATIONS ACTIVITIES CHELSEA**

##### **FLOWER SHOW**

##### **Expenditure**

**\$37,000.00**

Developed packages with tour operator partners which catered to special interests e.g. horticulture, heritage and culture etc.

#### **FACILITATION OF PRESS GROUPS**

##### **Expenditure**

**\$100,000.00**

Ensured continuous engagement of press (both trade and consumer) and the identification of opportunities which ensured top-of-mind awareness and maintained Barbados' 'iconic' status as a top tourist destination

#### **FACILITATION OF PRIZE WINNERS**

##### **Expenditure**

**\$75,000.00**

Identified and leveraged opportunities utilising a variety of media to reach consumers at various touch points e.g. press/broadcast, online/offline

#### **ENTERTAINMENT**

##### **Expenditure**

**\$26,000.00**

Created opportunities to host prospective business partners and industry players

#### **BARBADOS ROAD SHOW PROMOTIONAL TOUR (i)**

##### **Expenditure**

**\$90,000.00**

Strategy: Partnered with suppliers to promote Barbados in key target markets across the UK

#### **BARBADOS ROAD SHOW PROMOTIONAL TOUR (ii)**

##### **Expenditure**

**\$135,000.00**

Strategy: Identified and targeted key source regions across the UK

#### **PROMOTIONS TRADE INCENTIVE PROGRAM**

##### **Expenditure**

**\$455,000.00**

Strategy: Ran incentives with the travel trade leveraging e-training platforms, bespoke in-house competitions with select tour operator partners and travel trade publications and events



### **PROMOTIONS SALES PROGRAM**

Sales Calls, Trade Shows, Promotional Travel

**Expenditure**

**\$272,500.00**

### **PROMOTIONS**

Team Barbados/Diaspora/Barbadian Association  
Events/Barbados Family & Friends

**Expenditure**

**\$45,500.00**

### **TACTICAL PROMOTIONS**

**Expenditure**

**\$150,000.00**

### **PROMOTIONS**

**CTO/ABTA/CHA Events**

**Expenditure**

**\$19,500.00**

Identified and attended key annual events which brought industry professionals together

### **PROMOTIONS**

**Contributions & Subscriptions**

**Expenditure \$45,550.00**

Continued to work alongside and capitalize on our relationship with various organisations and entities to increase the competitiveness of the destination

### **PROMOTIONS**

**Miscellaneous**

**Expenditure \$93,550.00**

Selectively distributed promotional items to individuals and events

## USA

The USA economy saw growth in real GDP, with consumer spending growing in line with the growth in the economy. North America also saw growth in long haul travel and the USA remained one of the top six long haul source markets globally. Consumers were increasingly interested in individual and local experiences, authenticity, wellness, community and engagement as part of their travel. As a result, the market saw demand rising for specialist and niche

travel and tourism, such as wellness, sustainable trips and adventure/sports. The US promotions also specifically targeted the US millennial generation of young adults who travelled much more strongly both within the USA and abroad. Gen X travel levels have been declining over the last decade, which resulted in an adaptation to our marketing strategies. The reduction of the FLL/BGI service had a significant impact on market activity.

## BUDGET



Promotions

\$1,716,600.00



Contributions  
& Sponsorship

\$26,081.00



Public  
Relations

\$714,149.00



Salaries  
& Benefits

\$1,255,793.50



Operational  
Expenses

\$489,370.00



Marketing

\$3,128,207.00



# PROMOTIONS

## BEC TRAINING & INCENTIVE PROGRAM

Agent Familiarization Trips  
Tradeshows  
Training  
Sales Calls

**Expenditure: \$1,950,000.00**

Through identifying and targeting top producers from the Barbados Elite Club program, the US market implemented aggressive incentives to achieve incremental business

## NICHE MARKET PROGRAM

**Expenditure: \$500,000.00**

The US market employed strategic programs and activities that afforded the market increased visibility and the opportunity to develop strategic partnerships with industry leaders/influencers in the specific niches

## CONTRIBUTIONS & SPONSORSHIPS

Florida Panthers  
Brooklyn Nets

**Expenditure: \$1,300,000.00**

Increased bookings were driven through access to this new audience; increasing market share

## ADVERTISING

Consumer/Trade

**Expenditure: \$4,801,000.00**

The US market implemented a consistent and aggressive integrated plan across all media targeting primarily females between 25 and 59 ABC socio-demographic

## FRIENDS & FAMILY OF BARBADOS TARGET AUDIENCE

Team Barbados  
Barbados Family & Friends Program  
Tactical Promotions  
Barbadian Association Events

**Expenditure: \$400,000.00**

Barbadians who have made a mark in the US market were specifically targeted and their audiences through our promotions

## TRADE ASSOCIATIONS

Industry Events (CTO, ABTA, CHA)

**Expenditure: \$400,000.00**

We identified and attended key annual events which brought industry professionals together

## TACTICAL

**Expenditure: \$1,300,000.00**

In an effort to promote the destination in a creative way and drive demand for trough periods, the tactical promotions were executed

## PUBLIC RELATIONS

**Expenditure: \$880,000.00**

Barbados' story was told through the effective utilization of PR strategies and tactics

## BARBADOS ROAD SHOWS

**Expenditure: \$257,500.00**

We placed focus on the key departure points in the USA Tri-State area, Florida, Atlantic and Charlotte; targeting agents during the spring and autumn seasons

## TRAINING & INCENTIVE PROGRAM

**Expenditure: \$1,430,000.00**

The market identified and targeted top producers from the Barbados Elite Club program and implemented aggressive incentives that achieved incremental business

## NICHE MARKET PROGRAM

**Expenditure: \$900,000.00**

We implemented aggressive programs and activities that afford us increased visibility and developed strategic partnerships with industry leaders/influencers in the respective niches



## STRATEGIC PARTNERSHIPS

HEAT

Madison Square Gardens

**Expenditure: \$900,000.00**

We saw increased bookings and market share through access to new audiences

## CONSUMER ADVERTISING

**Expenditure: \$3,950,000.00**

We implemented a consistent and aggressive integrated plan across all media targeting mainly females 25-59 ABC socio demographic. This saw increased visibility for Barbados in the marketplace

## SALES CALLS & TRAINING

**Expenditure: \$880,000.00**

The year's promotions included targeted sales call outreach to top producing agents and partnerships with local hoteliers and ancillary services to host Barbados Road Shows in key markets

## JOINT ACTIVITIES

**Expenditure: \$500,000.00**

## INDUSTRY EVENTS (CTO, ASTA, NACTA, CHA)

**Expenditure: \$71,000.00**

We identified and attended key annual events which brought industry professionals together

## INDUSTRY EVENTS (CTO, ASTA, NACTA, CHA) – Awareness activity

**Expenditure: \$2,900,000.00**

We stimulated demand for the additional capacity in the marketplace through the identified awareness activities

## MISCELLANEOUS

**Expenditure: \$900,000.00**



## CANADA

As unemployment fell by 0.1%, hiring in the sector helped the market build on the momentum generated in previous years. Sixty-five percent of the traffic to the destination travelled via the combined services of Air Canada Mainline (YUL) and Air Canada Rouge (YYZ). Traffic via WestJet accounted for 23% of arrivals. Travel for leisure remained the primary purpose of visits and accounted for 83% of the business with notable increases in visiting friends and relatives up 29%. Forty-two percent of visitors stayed for 7-10 days with 15% staying for 4-6 days.

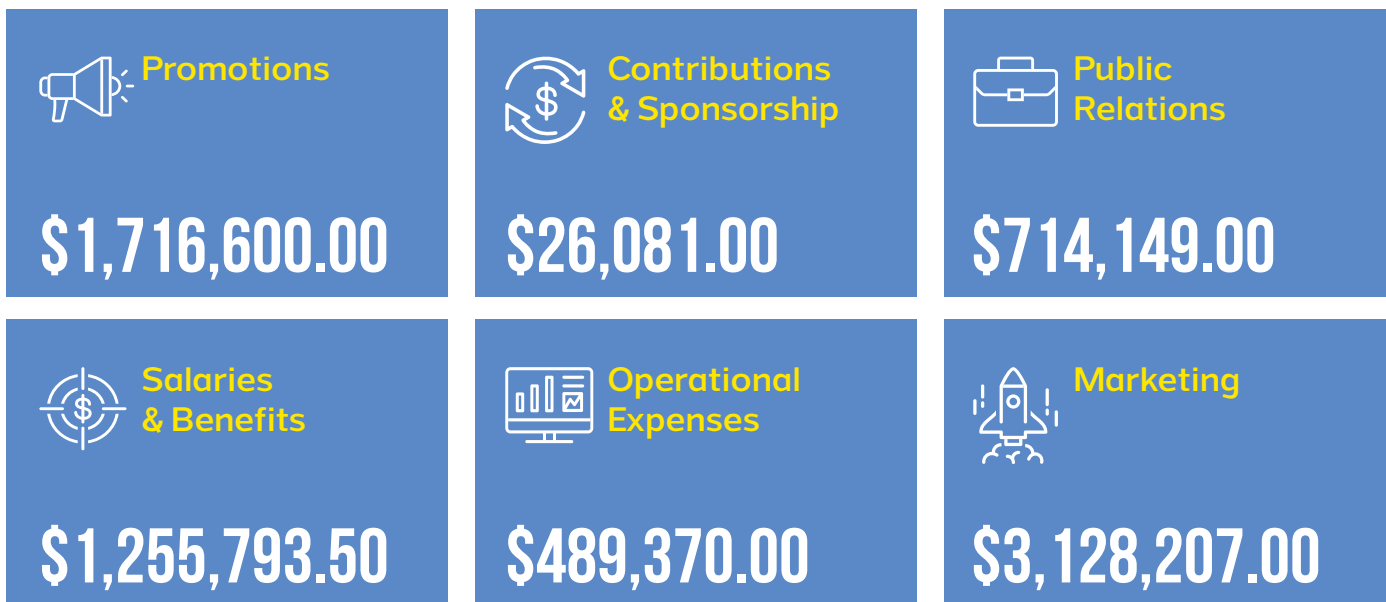
The promotions and initiatives executed continued to grow the Canadian market and went in aggressive pursuit of increased arrivals. We continued to defend and protect the existing seat capacity and support airline strategies to improve loads and yields. Keeping Barbados' top-of-mind and increasing product awareness in the market both consumer direct and retail trade.



### Traffic via WestJet accounted for 23% of arrivals.

We customized market specific programs with our Tour Operators in an effort to generate greater awareness of Barbados as a destination that offers a unique vacation experience and to assist in improving yield. Reducing the seasonality component of our business and further capitalizing on the performing segments of the Canadian market was also critical in the market strategy. We developed incremental business via capitalization of relevant niche markets including Romance, M.I.C.E, Epicurean, Faith-Based and travel to capitalize on the Year of Sports Campaign. Festival Events including Crop Over, Celtic Festival, Food & Rum and Classical Pops were also aggressively promoted.

## BUDGET



# PROMOTIONS

## IMAGE AND AWARENESS ADVERTISING

**Expenditure: \$300,077.00**

The Canadian market continued to continue to position Barbados as aspirational and iconic in key markets e.g. Ontario, Quebec, Western Canada (BC, AB, and MB) through a judicious mix of messaging

## CO-OPERATIVE ADVERTISING

**Expenditure: \$899,862.00**

We leveraged relationships with key tour operator partners and utilised co-op marketing activity to maximise airlift.

## PUBLIC RELATIONS

**Expenditure: \$125,889.00**

We developed a multimedia campaign which positively resonated with and engaged the Canadian traveller

## AREA REPRESENTATIONS/CONSULTANTS

**Expenditure: \$114,444.00**

The Canadian market implemented an integrated sales and marketing plan to support behind the gateway source markets

## VISITING JOURNALIST PROGRAM

**Expenditure: \$40,056.00**

We created niche and unique visiting journalist trips to target media who speak to audiences with specific niche interests

## FACILITATION OF TRAVEL AGENTS

**Expenditure: \$45,777.00**

The best that Barbados had to offer was showcased through the creation of itineraries

## PUBLIC RELATIONS PROJECTS

**Expenditure: \$178,536.00**

The market created PR projects and promotions which encouraged consumer engagement

## PUBLICITY COST/ENTERTAINMENT

**Expenditure: \$4,444.00**

## DIRECT MAIL/FULFILMENT

**Expenditure: \$15,000.00**

Developed niche/events specific collateral

## FACILITATION OF PRIZE WINNERS

**Expenditure: \$20,027.00**

Designed travel opportunities which created consumer excitement and destination engagement

## PROMOTIONAL TOUR/SALES BLITZ

**Expenditure: \$103,748.00**

These promotional tours targeted agencies in Ontario, to include Ottawa, Quebec, and Nova Scotia

## BARBADOS ON THE WATER

**Expenditure: \$154,500.00**

The market developed a Barbadian themed five-day festival at Harbourfront Centre

## 104.5 CHUM FM/BREAKFAST IN BARBADOS

**Expenditure: \$343,333.00**

This promotion leveraged contest partnership with CHUM FM in Toronto

## BARBADOS NATIONAL PROMOTION

**Expenditure: \$36,407.00**

Educated and informed the travel trade and consumer (e.g. Consortia, and BFF members) about the offer

## MARKETING MEETINGS

**Expenditure: \$5,723.00**

## MARKETPLACE (CTC/CTO)

**Expenditure: \$8,683.00**

We identified and attended key annual events which brought industry professionals together

### **CONTRIBUTIONS/SPONSORSHIPS**

Expenditure: \$8,583.00

### **COURIER SERVICE & POSTAGE**

Expenditure: \$6,389.00

### **TRADE SHOWS**

Expenditure: \$200,313.00

Participated in major trade and consumer shows with targeted audiences

### **MARKETING ITEMS**

Expenditure: \$51,880.00

Selectively distributed promotional items to individuals and events

### **TRAVEL AGENT SPECIALIST PROGRAM**

Expenditure: \$46,021.00

Promoted the benefits of the BEC programme to not only to the membership but also, to their clients (with cash and prize trips)

### **PROMOTIONS TRAVEL**

Expenditure: \$57,223.00

### **NICHE MARKETS**

Expenditure: \$51,908.00



## CARIBBEAN & LATIN AMERICA MARKET

The LATAM & Caribbean market accounts for a total of 14% arrivals by market share; 1% more than Canada and more than half of the US market's contribution to arrivals. Trinidad & Tobago continues to be the top contributor at 29.1% of the Caribbean performance. The Caribbean economic growth is averaging 1.6% across the region.

The region witnessed Commodity dependent countries see sharp downfalls however, Tourism Product based countries had a relatively good year. During the period January to December 2016, Trinidad & Tobago recorded a 14.6% increase (33,841 visitors) or an additional 4,308 visitors YOY. For that same period YOY, other Caribbean also saw a 10.5% increase (70,926 visitors) or an additional 6,762 visitors. Other Central & South America recorded a 26.1% increase (8,338 visitors) or an additional 1,725 visitors YOY.

Latin American prioritizes travel above all else when it comes to discretionary spending. There was a LATAM increase of 4% of outbound travelers between January and August; high intra-regional travel & 'well off' travellers contributed to this. Family/multi-generational travel is a growing trend travel with Latin American and there was a willingness to pay more for family travel.

The Barbados brand in the Caribbean & Latin America Markets was re-invented to position Barbados as a year round travel destination and visitor arrivals from the Caribbean & Latin America increased by 8%. A destination image was created with the Niche Marketing in mind and visitor spend/ yield increased as well as increase airlift to develop better access to the applicable regions. In addition to this, continuous in-depth market research on the Caribbean & Latin America region was conducted.

The overall strategy was consumer-led and emphasised the attractiveness of Barbados as a destination able to meet the varying needs of individuals and different groups. The main categories of visitors can be summarised as:

- ★ Group Travel (Sport/ Events Traveller)
- ★ Business Visitors
- ★ Religious Traveller
- ★ Cruise & Stays
- ★ Ultra Luxury
- ★ Weekenders



# BUDGET



## ADVERTISING INITIATIVES

### Expenditure

**\$1,585,295.00**

Barbados was portrayed as an exciting, diversified and aspirational destination using various media channels to reach the different audiences/market segments/niches. This strategy increased Barbados' visibility in the region as an aspirational and attainable destination. It strengthened our product differentiation & positioning in target markets through well branded and distinctive campaigns.

## AIRLINE CO-OP ACTIVITIES

### – CO-OP MARKETING WITH LIAT

#### Expenditure

**\$150,000.00**

This strategy undertook tactical programmes and joint promotions aimed at the consumers and trade to stimulate interest and drive bookings for Barbados. It maximized the existing airlift capacity out of key markets Trinidad & Tobago and CARICOM territories. It further achieved improved load factors year round out of key target markets and increased the level of early bookings.

## AIRLINE CO-OP MARKETING

### – CO-OP MARKETING WITH CAL

#### Expenditure

**\$115,000.00**

#### Operations

This strategy undertook tactical programmes and joint promotions aimed at the consumers and trade to stimulate interest and drive bookings for Barbados. It maximized the existing airlift capacity out of Trinidad & Tobago and Guyana. It further achieved improved load factors year round out of key target markets and increased the level of early bookings.

## STRATEGY ALLIANCES/DEVELOPMENT OF GROUP

### Business/Sponsorship

#### Expenditure

**\$110,000.00**

#### Operations

This strategy identified marketing opportunities that resulted in enhanced Public Relations exposure that effectively reached the luxury segment in Trinidad and other key markets. It leveraged our partnerships with major players to strengthen Barbados' brand identity in the primary market of Trinidad and other

key markets. It fully engaged the high net worth consumers in the Trinidad market about Barbados as an aspirational destination.

#### **STRATEGIC ALLIANCES/DEVELOPMENT OF GROUP BUSINESS/ SPONSORSHIPS**

**Expenditure**  
**\$205,000.00**

The most lucrative niches in key markets: Sports, MICE, Romance, Ethnicity, Events were identified.

Niche market activities aimed at generating incremental business (e.g. sponsorship of events, joint promotions with major associations, clubs etc.) were expanded.

#### **PUBLIC RELATIONS ACTIVITIES FACILITATION OF PRESS GROUPS**

**Expenditure**  
**\$100,000.00**

Barbados was portrayed as a multifaceted destination catering to various segments and niches. There was continued engagement with the media and leveraged relations with key partners to ensure continuous top-of-mind awareness. Press trips in alignment with marketing objectives were organised and maximum exposure for the destination in all key media outlets (traditional and new media) was secured.

#### **PUBLIC RELATIONS INITIATIVES**

**Expenditure**  
**\$60,000.00**

Barbados was portrayed as a multifaceted destination catering to various segments and niches. Partnerships were leveraged that identified opportunities to interact with consumers on multiple levels. Multiple prize competitions to engage consumers and build excitement for travel to Barbados were conducted. These further strengthened brand image and drove conversion among consumers to travel to Barbados for holiday or a major event.

#### **PUBLIC RELATIONS SERVICES**

**Expenditure**  
**\$150,000.00**

Barbados was portrayed as a multifaceted destination catering to various segments and niches. Partnerships were leveraged that identified opportunities to interact with consumers on multiple levels. Multiple prize competitions to engage consumers and build excitement for travel to Barbados were conducted. These further strengthened brand image and drove conversion among consumers to travel to Barbados for holiday or a major event.

#### **PROMOTIONS SALES**

##### **PROGRAMMING: TRADESHOWS**

**Expenditure**  
**\$35,500.00**

This strategy maximized Barbados' presence at tradeshows and used the events as platforms to promote special offers, calendar of events, etc. It served to heighten Barbados' visibility in the marketplace and promoted the destination through targeted trade shows for consumers & trade in key markets.

##### **PROMOTIONS - SALES CALLS**

**Expenditure**  
**\$150,000.00**

Training seminars in key markets were conducted that educated the trade and ensured they were knowledgeable about the product. Sales to Barbados were increased and relationships with trade travel cemented.

##### **PROMOTIONAL CAMPAIGN FOR SUMMER**

**Expenditure**  
**\$80,000.00**

Barbados was promoted as the destination of choice for leisure travel for the summer period. This strategy drove traffic to Barbados for the critical summer period.

## **OTHER PROMOTIONS**

### **Expenditure**

**\$20,000.00**

This strategy supported activities of the Barbados One Love Association (BOLA) in Trinidad and worked towards increasing its membership. It leveraged the diaspora in the marketplace as an extension to the sales force and introduced the Barbados Family and Friends (BFF) Rewards programme into select markets.

## **CROP OVER PROMOTIONS**

### **Expenditure**

**\$115,000.00**

A massive marketing campaign was launched that reached consumers at every touch point. The strategy promoted this flagship festival among regional carnival aficionados and the wider audience and encourage visitors to book travel to Barbados during the Crop Over Festival period (July-August).

## **TOUR OPERATOR CO-OP MARKETING**

### **Expenditure**

**\$60,000.00**

This strategy increased co-op marketing activity with major Tour Operators and Travel Agencies and increased volumes out of key markets. It further deepened the engagement with the Tour Operators and Travel Agents and increased sales.

## **TOUR OPERATOR CO-OP MARKETING**

### **Expenditure**

**\$130,000.00**

Incentive programmes and in-house competitions with major tour operators and travel agent partners, agent training, etc. were conducted. Top Barbados sellers are rewarded for their efforts which resulted in an increase volume of Barbados sales during the period.





## **TOUR OPERATOR CO-OP MARKETING**

### **Expenditure**

**\$70,000.00**

This strategy protected and expanded charter programmes out of the FWI. We partnered with key Tour Operators and Associations with a focus on offering value propositions. This enhanced the accessibility of the destination especially during peak periods of travel.

## **CONTENT STRUCTURE & INFRASTRUCTURE**

### **Expenditure**

**\$19,096.00**

Additional channels to educate the trade professionals and consumers on our destination were created through the production of collateral materials in Portuguese and Spanish. General and customised/segmented content in Portuguese was made available for the trade, media professionals, and consumers in Brazil & Argentina.

In addition, a strategy was designed that created new, updated, and diverse content on Barbados and its tourism attractions and rapidly increased our number of likes. A very aggressive presence in the social media channels in Brazil and South America was continued.

**\$3,677.00**

The website was used as the key communication platform for Barbados in Brazil. It targeted the consumers, trade and media professionals. This strategy continued to update and add sales options to the Barbados website in Portuguese and Spanish.

**\$24,087.00**

Work was continued on all on-going activities on behalf of BTMI in Brazil, Argentina, Chile and Colombia. All trade and media activities in Brazil and Argentina were aggressively and effectively worked on and tourism events and activities were participated in on behalf of BTMI (when required).

## **SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES PHASE 1**

### **Expenditure**

**\$133,900.00**

This strategy selected a diversity of potential partners to directly reach a wide range of final consumers to increase knowledge on, interest in, and sales to Barbados. This was the Final Consumer Phase 1 (1st quarter) of the Special Project. We reached out directly to our target audience - Brazilian families, couples, and individuals from middle and upper classes.

## **SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES PHASE 2**

### **Expenditure 2017-2018**

**\$133,900.00**

As part of the Special Project Final Consumer Phase 2 (2nd quarter), a diversity of potential partners were selected to directly reach a wide range of final consumers to increase knowledge on, interest in, and sales to Barbados.

## **SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES PHASE 3**

### **Provisional Expenditure 2017-2018**

**\$133,900.00**

### **Operations**

Special Project Final Consumer Phase 3 (3rd quarter) continued this direction.

## **SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES - TOP SURF DESTINATION**

### **Expenditure**

**\$20,600.00**

This strategy developed and implemented customized campaigns with very influential players from different sports organisations/associations to position Barbados as a top surf destination.

**SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES  
– DESTINATION WEDDING**

Provisional Expenditure 2017-2018

\$41,200.00

**Operations**

This strategy included participating in one of the biggest wedding events in Brazil that gave a lot of exposure in this segment and partnered with a few selected specialised Romance Tas to promote Barbados as a top wedding destination.

**SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES  
– SPECIAL PARTNERSHIPS**

Expenditure

\$5,150.00

**Operations**

A customized campaign in partnership with a selected movie theatre in Sao Paulo – the Reserva Cultural Movie Theatre at Paulista Avenue – was developed and implemented in order to increase Barbados' visibility within their ambiances.



**Additional channels to educate the trade professionals and consumers on our destination were created through the production of collateral materials in Portuguese and Spanish.**



**SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES  
– FASHION SHOW PARTNERSHIP**

**Expenditure  
\$25,750.00**

This strategy promoted the island as a partner of a top clothing designer in a fashion show. Having Barbados as the theme and master supporter / partner of the event generated huge exposure consequently sales, which targeted the upper classes, males professionals and families.

**SPECIAL PROJECTS FINAL CONSUMER ACTIVITIES  
– SELECTED FINAL CONSUMER TRAVEL SHOW**

**Expenditure  
\$15,450.00**

We were present in a final consumer Travel Show which promoted Barbados directly to our main target public.

**TRADE ACTIVITIES**

**Expenditure  
\$30,900.00**

**Operations**

This strategy started and strengthened partnerships with tour operators, travel agents, specific associations and tourism related associations. This was done through weekly sales calls/visits to major tour operators in order to develop and maintain a close relationship. Through this they were well informed about the destination and had adequate itineraries available for their clients.

**TRADE ACTIVITIES**

**Expenditure  
\$20,600.00**

The Brazilian and South American trade were educated on Barbados and its niche activities. We organised and participated in travel agent and wholesaler training events. We also had several training seminars for selected trade professionals in our office.

**TRADE ACTIVITIES**

**Expenditure  
\$123,600.00**

GVA/BTMI worked with the top 2 sellers and developed with each of them customised advertising campaigns to boost their sales of Barbados packages. We developed a trade co-op marketing campaign using the most effective media channels in partnership with selected airlines and top tour operators which maximised budget and ROI from this activity.



## **TRADE ACTIVITIES**

### **Expenditure**

**\$6,180.00**

### **Operations**

To boost Travel Agents knowledge and sales to Barbados, we developed a complete online course on Barbados and made it available on demand – also live training sessions – to all TOs and TAs in Brazil. (GVA's E-Learning Platform)

## **TRADE ACTIVITIES**

### **Expenditure**

**\$15,450.00**

This strategy selected main cities from our major markets in Brazil and increased networking and business opportunities with Tour Operators and Travel Agents

## **TRADE SHOWS**

### **Expenditure**

**\$40,685.00**

We participated in the major trade shows in Latin America Vitrina Turistica, Colombia & World Travel Market Latin America (WTM), Brazil and we were able to secure exposure on Barbados during the event and additionally we were able to take full advantage of all the networking and business opportunities available

## **TRADE SHOWS**

### **Expenditure**

**\$2,060.00**

This strategy secured exposure on Barbados during the event and additionally took full advantage of all the networking and business opportunities available

## **TRADE SHOWS**

### **Expenditure**

**\$11,536.00**

We participated in the Gramado/Festuris Trade Show in November and we were able to secure exposure on Barbados during the event. Additionally, we were able to take full advantage of all the networking and business opportunities available

## **FAMILIARIZATION TRIPS**

### **Expenditure**

**\$87,550.00**

We invited top tour operators and selected travel agents to come to Barbados and experience the destination first hand in order to better sell our island. This drastically increased the trade's product knowledge on Barbados and packages sales

## **PRESS TRIPS**

### **Expenditure**

**\$41,200.00**

We invited top media publications to come to Barbados and experience the destination first hand in order to increase exposure on our island. This provided coverage and ongoing top-of-mind awareness in various media. Overall it increased media exposure on our destination and packages sales

## **INSTITUTIONAL ADVERTISING CAMPAIGN**

### **Expenditure**

**\$727,180.00**

We developed an institutional advertising campaign that secured coverage on Barbados and increased demand and interest in the destination. We created exposure for Barbados utilising various communication channels in Brazil and Colombia which increased trade and consumer awareness, increased sales of Barbados packages and received a great deal of media coverage



**Nine tourism partners from Barbados took part in BTMI's first road show in March in the cities Milan and Rome.**



## EUROPE

Germany, France and Italy make up 51% of all European visitors to Barbados. In 2016, two of these markets suffered a decline, which affected overall market performance. Despite the 3% decline, their on-island expenditure contribution

was still noteworthy at \$61 million, as reported by the Barbados Statistical Service. The hiring of new marketing agencies for the German and Italian markets helped the BTMI improve visibility and awareness among consumers.

## GERMANY

Germany's economy continued to expand with higher consumer spending, powering growth. Government encouraged companies to hire more workers, which in turn resulted in more consumer spending.

However, in 2016 PhocusWright recorded a 12% drop in German summer bookings worldwide. In the Caribbean, the decline seemed more acute. Both Aruba and Trinidad declined by 5% while Puerto Rico and St. Lucia declined by 11% and 23% respectively.

The main reason for this decline is suspected to be Zika. Germany's Federal Foreign Office site advised pregnant women or women desirous of becoming pregnant against traveling to Barbados, mentioning the link between Zika and deformity in new born babies. The decline continued in the first quarter of 2017, despite a new flight from Munich which started in November.

After a large show of support by Barbadian tourism trade partners at ITB, other aggressive marketing started, include year round advertising on OTAs co-op marketing with key traditional Tour Operators Thomas Cook, Meier's and FTI; a roadshow to four cities; and a partnership with national sports retailer, Sports check on OTAs.

## FRANCE

France's sluggish recovery had disastrous consequences for public finances, with French debt now close to 100 percent of GDP. It also prolonged the country's unemployment problem, with youth unemployment now at around 25 percent.

The French market, which grew by 10% at the end of 2016, continued to perform well. At the end of first quarter 2017, it grew by 36%. This was as a result of a Vueling flight (four days a week) from Charles de Gaulle to Gatwick airport that allowed passengers to connect to direct British Airways or Virgin Atlantic flights to Barbados.

The Air France Air Antilles flights, which commenced on February 16 were slow in providing the desired volume. This improved once a coop marketing plan with Air France was launched.

Offline marketing initiatives included a market visit at the end of May; an in-market Chef event, a collaboration with a sports store and a road show to four key cities in November.

## ITALY

Italy is saddled with one of the world's highest debt loads relative to the size of its economy. In addition, 40% of its young adults are unemployed. Standard & Poor's (S&P) has forecast that Italy's economy will shrink slightly this year due to the country's struggling banking sector and divided politics.

The Italian market grew by 11% in the first quarter after a 9% decline at the end of last year. Nine tourism partners from Barbados took part in BTMI's first road show in March in the cities Milan and Rome. Over 100 Tour Operators and Travel Agents attended the road show.

Offline co-op marketing with four major tour operators supplemented online advertising.

## SITUATIONAL ANALYSIS

### STRENGTHS

Europe's visitors are younger than those from the three major markets. The 26-45 age-group made up 44% of European arrivals in contrast with the UK whose similar age group made up 29%. In the summer, this group increased to 50% whereas it increased to 32% for the UK. In terms of long-term viability, Barbados can grow with a demographic that has the potential to earn more money and travel more frequently. These travellers also seem to merit the novelty or/and aspirational quality of the destination over the inconvenience of getting there.

## WEAKNESSES

The absence of direct airlift and decreased flights during the Summer continued to prevent a strong lift in numbers. Condor increased its weekly flights to three during the Winter but does double drops. Air France relied on Air Antilles to get its passengers to Barbados. In addition, it has a restricted travel period of 19 weeks, where due to its decreased service, Air Antilles flights cannot connect to Air France on the same day.

Tour Operators point out that rates for local hotels are often more expensive than other Sun and Beach destinations, and often do not correlate to the product offering. This impacts the destination's competitiveness when combined with the high airfares associated with indirect flights.



## The Centre for Disease Control and Prevention accused Puerto Rican authorities of under-reporting the number of new borns that were infected by Zika.

## OPPORTUNITIES

An increase in independently advertised villa and AirBnB accommodation served to respectively target both other, high-earning and young, medium-earning travellers. The ITB World Travel Trends 2017 Report stated that the number of international holidays taken by Europeans increased by 2%, but there was a 10% increase in the number of visits to family and friends (VFR) and other leisure trips abroad. According to Paco Buerbaum, CEO of IPK International, "This suggests that a significant number of people preferred the safety of private homes to commercial accommodation this year."

The Villas/Apartment Rentals/Condos are already the largest accommodation category for European visitors to Barbados. In third place is Friends and Relatives, which is thought to be AirBnB, given the small diaspora in the market.

## THREATS

Zika still made news in 2017. The Centre for Disease Control and Prevention accused Puerto Rican authorities of under-reporting the number of new borns that were infected by Zika. Puerto Rico reported 40,000 cases. The caution advisory for Barbados still appeared on Germany's Federal Travel Office website during this time. This affected the key age group coming to Barbados.

The ITB World Travel Trends 2017 Report revealed that more Europeans were selecting city vacations in favour of sun & beach holidays. This was part of the trend to stay closer to home, for safety reasons.

## Targets for 2017/2018



Using the profiles from the Experian research, the target markets for Europe are:

- 📍 DINKS – couples in the pre-nesting an empty-nest life stages, who tend to live in the city
- 📍 Wealthy Suburbs
- 📍 Young Active Families
- 📍 Families in Comfort

# BUDGET



## YEAR ROUND CREATIVE

**Expenditure**  
**\$104,622.72**

This strategy attained high visibility for the brand and showcased a wide range of experiences on island. A digital agency within the market was hired. the BTMI's global campaigns were tailored to key 46-55 & 26-35 consumer segments. Influencers were used in advertising to represent the brand and the best examples of accommodation were featured. Additionally as part of the strategy, activities that made the brand stand out were highlighted.

## MEDIA BUY

**Expenditure 2017-2018**  
**\$1,661,746.10**

The best OTAs and offline media were selected to reach key consumers. One to three media were used (total for online and offline) for effective measurement to get the most cost efficient and effective reach.

## CO-OP MARKETING

**Expenditure**  
**\$487,521.41**

This strategy highlighted the accessibility of the destination by combining with tour operator and accommodation partners. It built support among and promoted current and new airline partners.

## PUBLIC RELATIONS

**Provisional Expenditure 2017-2018**  
**\$230,530.11**

### Operations

This strategy leveraged advertising to create stories and drove advocacy for the brand through video and radio. Native advertising was used to support ad campaigns. It generated high participation and excitement around the brand with key consumer segments.



## **SOCIAL MEDIA**

### **Expenditure**

**\$54,491.00**

Social media, especially Instagram and YouTube, were leveraged, which generated high participation and excitement around the brand with key consumer segments. Instagram accounts were created for each Tier 1 market while advocacy for the brand was driven through social sharing, referrals and recommendations among key segments. YouTubers and bloggers who posted about their experience on the island were rewarded and market websites were refreshed each month.

## **B2C EVENTS**

### **Expenditure**

**\$222,323.28**

This strategy stimulated interest in the destination and airlines by promoting new airline partnerships. It brought an authentic aspect of Barbadian culture to market, conducted a well publicised series of events and encouraged spontaneous bookings.

## **ROADSHOWS**

### **Expenditure**

**\$227,323.60**

Travel agents were educated and motivated to sell Barbados. Vacation incentives were introduced through hotel partners and one (1) road show was conducted a year per Tier 1 market.

## **FAMILIARIZATION TRIPS**

### **Expenditure**

**\$100,585.66**

This strategy projected Barbados as a novel, upscale product and conducted 2 large FAM a year per Tier 1 market. We persuaded agents to sell Barbados more vigorously and increased interest among local accommodation suppliers in the European market.

## **TRADE SHOWS**

### **Expenditure 2017-2018**

**\$223,565.89**

ITB was replaced with a trade show that can source arrivals from all Tier 1 markets. It was ensured that the



show was seen as different from WTM and equally or more desirable by accommodation suppliers. It increased interest among local accommodation suppliers in European market.

### **RETAIL PARTNERSHIPS**

#### **Expenditure 2017-2018**

**\$502,590.00**

An exclusive one-year relationship with a national retailer was established. The strategy leveraged stores display windows, cardholder databases and customised cultural events around product departments. Arrivals grew through enhanced brand awareness and promotional opportunities.

### **MARKET VISITS**

#### **Expenditure**

**\$57,121.74**

Relationships were developed with major in market TOs, OTAs and hotel reps. Visits were conducted twice a year in Tier 1 markets. Alliances were developed

with players who produced well for Barbados. Relationships were developed with major in market TOs, OTAs and hotel reps and the representative agency's performance in market was monitored.

### **OTHER TRAVEL**

#### **Expenditure**

**\$40,829.02**

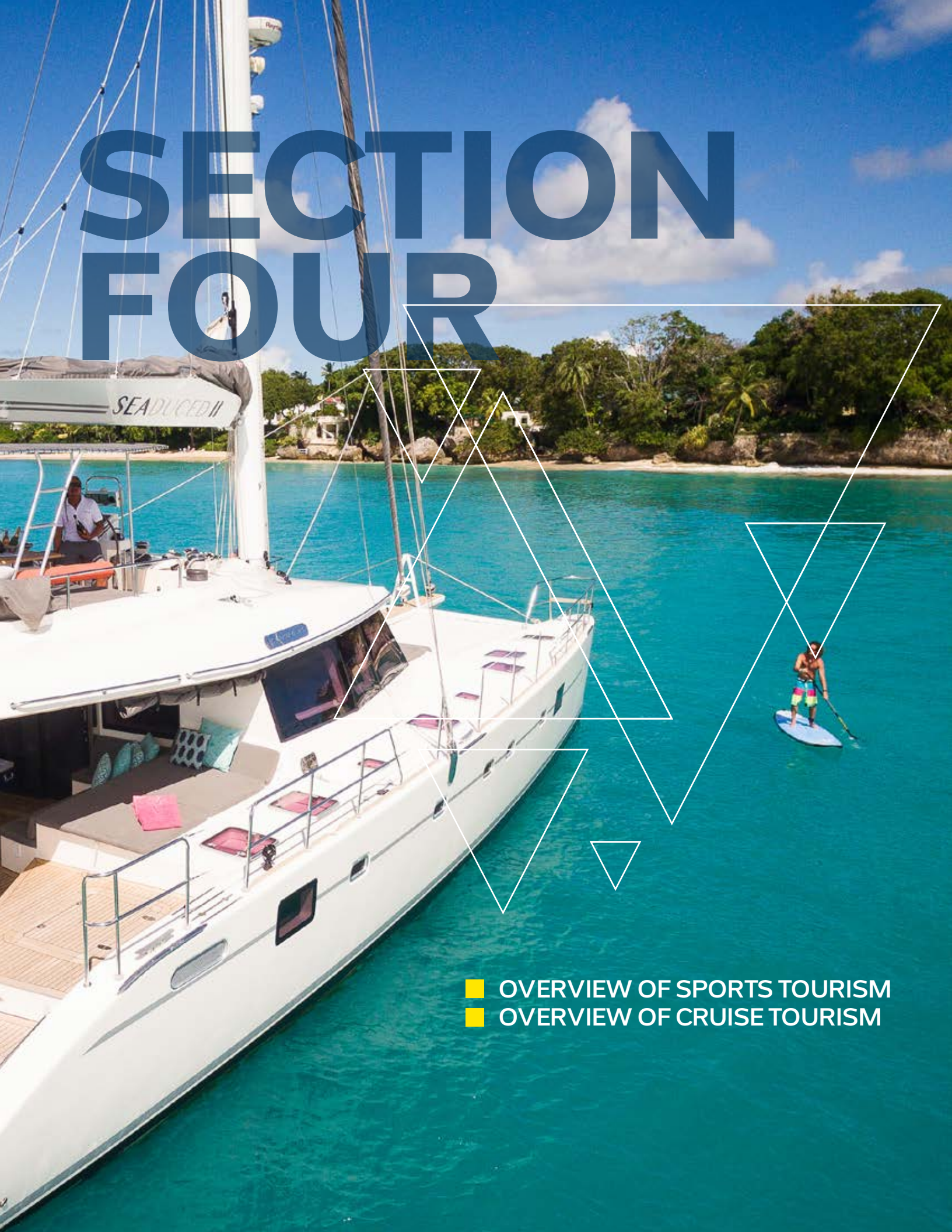
Explored new trade shows and trade seminars

### **IN MARKET REPRESENTATION**

#### **Expenditure**

This strategy drove brand awareness and goodwill for Barbados. It increased visitation to Barbados and communicated effectively with local consumers, online & traditional TOs, and local media. Representatives in markets that produce over 3,600 arrivals were hired as well as part time representatives in Scandinavia as the market responded to advertising.

# SECTION FOUR



- OVERVIEW OF SPORTS TOURISM
- OVERVIEW OF CRUISE TOURISM

## OVERVIEW OF SPORTS TOURISM

The Sports Tourism strategy saw an increase in sporting arrivals to Barbados by 2.5% in 2017. This was achieved through leveraging travel for sporting activities to maximize airlift capacity and decrease seasonality. During this time, the ministry identified and developed new sporting opportunities to diversify current sporting offerings and attract new business to establish Barbados as a premier Sports Tourism destination globally.

During this period, we conducted the restoration of the astro-turf facility for hockey, expanded the water sport and beach-type activities offering with newly introduced events e.g. beach tennis, stand paddle boarding. Golf was identified as a high yield niche activity and there was promotion of the recently developed Barbados Golf Pass and development of new golfing events.

To further support this strategy, three Barbados Sporting ambassadors – Brian Talma, Chelsea Tuach and Darian King, were identified to drive destination awareness. There was an increase in messaging on sports from a recreational standpoint in marketing and strategic partnerships were formed with Cornell Sailing Events, Canada Running Series, Barbados Polo Club, etc.

A bespoke 'Sports' website page was developed and there was an increase in usage of digital marketing to promote sports. In addition to this there was an increase in promotion of sporting activities – health and wellness, golf, hiking, biking, etc. – and one new sporting event was secured for 2018.



**The Sports Tourism strategy saw an increase in sporting arrivals to Barbados by 2.5% in 2017.**



## OVERVIEW OF CRUISE TOURISM

### MARKET OPPORTUNITIES

Consumer cruise trends out of the UK and the European markets showed a strong strategic fit with the aspirational brand attributes of Barbados. The demand for cultural immersion, authenticity and local community-based experiences drove necessary product rejuvenation and repackaging, inclusive of Pelican village, Bridgetown and the Garrison, through the formulation of new partnerships and strategic alliances.

New communication channels were introduced in the form of on-board/in-cabin destination storytelling and advertising along with integrated on and offline cruise product marketing communications. These told the unique and authentic Barbados destination story, introduced the “new” cruise product and increased consumer and cruise line awareness and demand.

Differentiated product attributes and brand benefits of the southern Caribbean and Barbados were a strategic fit with cruise consumer/ environmental trends especially from the UK and continental Europe marketplace.



**New communication channels were introduced in the form of on-board/in-cabin destination storytelling and advertising...**

During this period created awareness and visibility of the rejuvenated Barbados cruise product and retained 100% of existing and projected business. Home porting business from European and US source markets increased to facilitate the growth of the cruise and stay segment.

Further to this, a differentiation strategy for Barbados and the southern itinerary was formulated, and cruise visitor expenditure and landed cruise (Cruise and Stay) arrivals increased by 5%. Part of this strategy included the development of the Southern Caribbean itinerary for Royal Caribbean and European lines such as TUI especially for the summer season.



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# FINANCIAL REPORT



# INDEPENDENT AUDITORS' REPORT



TO THE GOVERNMENT OF BARBADOS AND DIRECTORS OF BARBADOS TOURISM MARKETING INC.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Opinion

We have audited the financial statements of Barbados Tourism Marketing Inc (“the Company”), which comprise the statement of financial position as at March 31, 2018, the statements of revenue and expenditure, deficit and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Barbados and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**The purpose of this report and restrictions on its use by persons other than the Company's members, as a body**

This report is made solely to the Company's shareholder, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report, or for the opinion we have formed.

Chartered Accountants  
Bridgetown, Barbados  
XXXXX XX, 2021

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

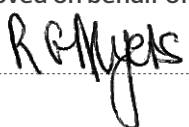
With comparatives for 2017

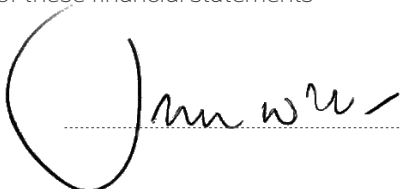
(Expressed in Barbados dollars)

	Notes	2018	2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6 \$	2,352,591	1,526,868
Cash and cash equivalents - restricted	6	1,323,358	1,334,274
Accounts receivable	7	608,353	205,102
Intercompany receivable	8	2,009,398	2,093,165
Prepaid expenses	9	249,052	575,833
<b>Total current assets</b>		<b>6,542,752</b>	<b>5,735,242</b>
Staff loans, net	10	171,062	165,013
Plant and equipment	13	411,201	456,033
<b>Total Assets</b>	\$	<b>7,125,015</b>	<b>6,356,288</b>
<b>Liabilities and Shareholder's Deficiency</b>			
<b>Current liabilities</b>			
Bank overdraft	6 \$	-	1,728,237
Accounts payable and accrued liabilities		31,135,576	30,715,934
Current portion - loan payable	17	5,072,866	3,126,414
<b>Total current liabilities</b>		<b>36,208,442</b>	<b>35,570,585</b>
<b>Long Term Liabilities</b>			
Long term portion - loan payable	17	10,437,524	14,517,081
Other Liability	18	4,500,000	-
<b>Total Liabilities</b>		<b>51,145,966</b>	<b>50,087,666</b>
<b>Shareholder's Deficiency</b>			
Share capital	12	1,000	1,000
Deficiency		(44,021,951)	(43,732,378)
<b>Total Shareholder's Deficiency</b>		<b>(44,020,951)</b>	<b>(43,731,378)</b>
<b>Total Liabilities and Shareholder's Deficiency</b>	\$	<b>7,125,015</b>	<b>6,356,288</b>

The accompanying notes form an integral part of these financial statements

Approved on behalf of the Board:

  
 ..... Chairman

  
 ..... President & CEO

## STATEMENT OF DEFICIENCY

For the year ended March 31, 2018

With comparatives for 2017

(Expressed in Barbados dollars)

	Notes	2018	2017
Deficit beginning of year	\$	(43,732,378)	(51,181,860)
Excess of expenditure over revenue/Excess of revenue over expenditure		(289,573)	7,449,482)
Deficit end of year	\$	(44,021,951)	(43,732,378)

The accompanying notes form an integral part of these financial statements

## STATEMENT OF REVENUE AND EXPENDITURE

For the year ended March 31, 2018

With comparatives for 2017

(Expressed in Barbados dollars)

	Notes	2018	2017
<b>Revenue</b>			
Government grant	11	\$ 62,274,577	75,000,000
Other income		704,820	462,131
Foreign exchange gain		-	508,062
Gain on disposal of fixed asset		231	-
		62,979,628	75,970,193
<b>Expenditure</b>			
Marketing		20,461,768	20,328,319
Salaries and allowances		12,749,749	5,506,519
Promotions		11,667,006	10,427,632
Contribution and sponsorship		6,928,593	8,260,430
Airline revenue guarantee		4,458,660	13,744,001
Public relations		3,183,282	2,105,363
Travel		1,366,676	1,602,864
Interest		1,079,069	1,088,018
Exchange adjustments and bank charges		1,028,931	54,001
Depreciation	13	157,122	138,637
Special projects		148,753	166,125
Operational expenses		39,592	5,047,971
Bad debt expense		-	50,830
		63,269,201	68,520,711
(Excess of expenditure over revenue)/Excess of revenue over expenditure		\$ (289,573)	7,449,482

The accompanying notes form an integral part of these financial statements

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2018

With comparatives for 2017

(Expressed in Barbados dollars)

	Notes	2018	2017
<b>Cash Flows from Operating Activities</b>			
(Excess of expenditure over revenue)/revenue over expenditure	\$	(289,573)	7,449,482
Items not affecting working capital:			
Depreciation	13	157,122	138,637
Gain on disposal of assets		(231)	-
Interest expense		1,079,069	1,088,018
Pension expense		4,500,000	-
		5,446,387	8,676,137
<b>Operating profit before working capital changes</b>			
(Increase) decrease in accounts receivable		(403,251)	286,237
Decrease/(increase) in intercompany receivable		83,767	(23,679)
Decrease in prepaid expenses		326,781	111,313
Increase in staff loans		(6,049)	(94,842)
Increase (decrease) in accounts payable and accrued liabilities		419,642	(18,318,229)
		5,867,277	(9,363,063)
<b>Net cash from (used in) operating activities</b>			
<b>Cash Flows used in Investing Activities</b>			
Additions to plant and equipment	13	(112,684)	(159,540)
Proceeds from sale of plant and equipment		625	3,897,200
Interest paid		(1,079,069)	(1,088,018)
		(1,191,128)	(2,649,642)
<b>Net cash used in investing activities</b>			
<b>Cash Flows used in Financing Activities</b>			
Loan (repayments) advances	17	(2,133,105)	(2,082,614)
		(2,133,105)	1,814,586
<b>Net cash (used in) from financing activities</b>			
Net increase (decrease) in cash		2,543,044	(8,796,035)
Cash, net - beginning of year		1,132,905	9,934,107
Cash, net - end of year	\$	3,675,949	1,132,905
Cash, net is comprised of:			
Cash and cash equivalents	6	3,675,949	2,861,142
Bank overdraft	6	-	(1,728,237)
		3,675,949	1,132,905

The accompanying notes form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended March 31, 2018**

(Expressed in Barbados dollars)

### 1. Reporting Entity

The Barbados Tourism Marketing Inc. (the "Company" or "BTMI") was incorporated in July 18, 2014 and is an organization domiciled in Barbados. The registered office of the Company is located at 2nd Floor One Barbados Place, Warrens, St. Michael, Barbados. The Company was previously known as the Barbados Tourism Authority (BTA) which was dissolved by the Government of Barbados on 2014. The dissolution resulted in the formation of the Company and another entity, the Barbados Tourism Product Authority (BTPA).

The Company was established as a wholly government owned limited liability company operating under the Companies Act, Cap 308 with the sole responsibility for the marketing of Barbados' tourism.

The BTPA was charged with the responsibility to maintain Barbados' competitiveness in the global tourism market by planning and coordinating continuous improvement in the quality of Barbados' tourism products and services.

Further to the legal formation of the Company, the net deficit of the dissolved entity, BTA, was duly transferred as at September 1, 2014 under the terms and conditions of the Barbados Tourism Marketing Inc. Transfer of Management and Vesting of Assets Act., 2014 ("The Vesting Act").

The financial statements were approved by the Board of Directors on XXXXX,XX 2021.

### 2. Going Concern

The financial statements are prepared on a going concern basis which contemplates the realisation of assets and the discharge of liabilities in the normal course of business. As at March 31, 2018, the Company has a cumulative deficit of \$ 44,021,951 (2017-\$43,732,378). Its current liabilities exceeded its current assets by \$29,665,690 (2017-\$29,835,343).

Due to the economic dependence of the Company on an annual grant from Government to finance its operations, the going concern assumption is contingent on the continued financial support of Government.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

### 3. Basis of Preparation

**(a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis.

**(c) Functional and presentation currency**

These financial statements are presented in Barbados dollars, which is the Company's functional currency.

**(d) Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

### 4. Significant Accounting Policies

The financial statements have been prepared in accordance with the accounting policies described below.

**(a) Foreign currency**

Transactions in foreign currencies are translated to the functional currency of the Company using average exchange rates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the average exchange rate at that date. Foreign currency differences arising on retranslation are recognized in the statement of revenue and expenditure.



## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 4. Significant Accounting Policies (continued)

##### (b) Financial instruments

###### Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, term deposits, accounts receivable, intercompany receivable, staff loans, accounts payable and accrued liabilities and loan payable.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of three months or less.

Non-derivative financial instruments are recognized initially at fair value.

##### (c) Impairment

###### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the statement of revenue and expenditure. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

###### Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date, to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 4. Significant Accounting Policies (continued)

##### (c) Impairment (continued)

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of revenue and expenditure.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognized.

##### (d) Plant and equipment

###### Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major) components of plant and equipment.

Gains or losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net in the statement of revenue and expenditure.

###### Subsequent costs

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment is recognized in the statement of revenue and expenditure as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 4. Significant Accounting Policies (continued)

##### (d) Plant and equipment (continued)

###### Depreciation

Depreciation is recognized in the statement of revenue and expenditure on a straight-line basis over the estimated useful lives of each item in property and equipment. The annual rates are:-

Equipment	10%, 12.5%, 20%
Furniture, fixtures and fittings	5%, 10%, 12.5%, 20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

##### (e) Employee benefits

###### Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed without realistic possibility of withdrawal, to a formal plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Company has made an offer encouraging voluntary redundancy and it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

###### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

##### (f) Government grants

Revenue grants received from Government are taken to income in the accounting period in which the related expenditure is incurred.

Grants relating to plant and equipment are deferred and amortized at the same rate as the depreciation on the plant and equipment to which they relate.

##### (g) Revenue recognition

Revenue is recognized on an accrual basis.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 4. Significant Accounting Policies (continued)

##### (h) Brochures

The cost of brochures and other promotional literature are expensed in the year of purchase.

##### (i) New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of January 1, 2017:

- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12
- IAS 7 Disclosure Initiative - Amendments to IAS 7
- Annual Improvements 2012 - 2014 cycle

Adoption of these revised standards and interpretations did not have an effect on the financial performance and position of the Company.

##### Standards issued but not yet effective

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company are as follows.

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- IFRS 16 Leases
- IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments
- Annual Improvements 2015 - 2017 cycle

The Company will evaluate the impact that these standards and interpretations will have on the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 5. Financial Risk Management

The Company has minimal exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

##### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from employees and other Government institutions.

##### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

##### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

### 6. Cash and cash equivalents

		2018	2017
Cash with banks	\$	2,346,748	1,522,270
Restricted cash		1,323,358	1,334,274
Cash on hand		5,843	4,598
Cash and cash equivalents		3,675,949	2,861,142
Bank overdraft		-	(1,728,237)
Cash less overdraft	\$	3,675,949	1,132,905

Cash with bank is non-interest bearing. There is no bank overdraft facility in place at the Bank of Nova Scotia. Restricted cash of \$1,323,358 (2017-1,334,274) refers to cash held by Bank of Nova Scotia, Canada, for a line of credit arrangement with West Jet Airlines. This was done in accordance with the terms of the airline agreement with West Jet.

### 7. Accounts receivable

		2018	2017
General receivables	\$	468,840	57,410
VAT receivables		139,513	147,692
Less: allowance for doubtful accounts		-	-
	\$	608,353	205,102

As at March 31, 2018, the aging analysis of general receivables from due date is as follows:

	Total	Current	30 to 60 days	60 to 90 days	>90 days
2018	\$ 468,840	77,926	16,425	350	374,139
2017	\$ 57,410	21,802	1,654	1,930	32,024

As at March 31, 2018, based on Management's assessment, no trade receivables (2017 – Nil) were impaired and fully provided for.

**NOTES TO THE FINANCIAL STATEMENTS****CONTINUED****For the year ended March 31, 2018**

(Expressed in Barbados dollars)

**8. Intercompany receivable**

		2018	2017
Due from Barbados Tourism Product Authority	\$	2,009,398	2,093,165

The amounts due from the related party are interest free and have no fixed terms of repayment.

**9. Prepaid expenses**

		2018	2017
Prepaid expenses – local		56,522	277,200
Prepaid expenses – foreign/overseas		192,530	296,633
	\$	249,052	575,833

**10. Staff loans**

		2018	2017
Staff loans		171,062	165,013
Less: allowances for doubtful debt		-	-
	\$	171,062	165,013

Staff loans are interest free with no fixed repayment terms. As at March 31, 2018, based on Management's assessment, no staff loans (2016 – Nil) were impaired and fully provided for.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 11. Government Grants

		2018	2017
Grant income per statement of revenue and expenditure	\$	62,274,577	75,000,000

Barbados Tourism Marketing Inc. is a Government owned company and is allocated a yearly government subvention to support its operational and promotional activities to market Destination Barbados. There are no conditions that the entity must meet to receive this subvention. The tranches are received in increments throughout the financial year and is recorded as they are received in the government grant line in the statement of comprehensive income. For 2018, a Government Grant was approved in the estimates and the Company received \$62,274,577 (2017 - \$75,000,000).

#### 12. Share capital

The Company is authorized to issue an unlimited number of shares of no par value.

No shares were issued or redeemed in 2018.

		2018	2017
Issued and fully paid 1,000 common shares (2018 - 1,000 common shares)			
Stated capital	\$	1,000	1,000



## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

### 13. Plant and Equipment

March 31, 2018:

	Equipment	Furniture and Fittings	Motor Vehicles	Total
<b>Cost</b>				
<b>Balance at March 31, 2016</b>	\$ 4,928,676	1,908,915	332,029	7,169,620
Additions	128,128	31,412	-	159,540
Balance at March 31, 2017	\$ 5,056,804	1,940,327	332,029	7,329,160
Additions	108,711	3,973	-	112,684
Disposals	(2,217)	-	-	(2,217)
<b>Balance at March 31, 2018</b>	\$ 5,163,298	1,944,300	332,029	7,439,627
<b>Accumulated Depreciation</b>				
<b>Balance at March 31, 2016</b>	\$ 4,865,315	1,671,842	202,501	6,739,658
Charge for the year	51,636	35,934	45,899	133,469
Balance at March 31, 2017	4,916,951	1,707,776	248,400	6,873,127
Charge for the year	73,806	38,021	45,295	157,122
Disposals	(1,823)	-	-	(1,823)
<b>Balance at March 31, 2018</b>	\$ 4,988,934	1,745,797	293,695	7,028,426
<b>Net Book Value</b>				
At March 31, 2018	\$ 174,364	198,503	38,334	411,201
At March 31, 2017	\$ 139,853	232,551	83,629	456,033

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 14. Related Party Transactions

The following related party transactions occurred during the year:  
Key management personnel compensation is as follows:

	2018	2017
Board of Directors	65,199	65,130
Senior Management	\$ 1,742,869	1,548,474

#### 15. Taxation

Under the terms of the Barbados Tourism Marketing Inc. Act, the Company is not liable for the payment of any income tax or other tax in respect of its income, revenue or receipts, or any part thereof under any law in force in Barbados.

#### 16. Financial Instruments

Financial assets of the Company include cash and cash equivalents, accounts receivable, intercompany receivable and staff loans. Financial liabilities include accounts payable and accrued liabilities and loan payable.

Exposure to credit, market and liquidity risks arises in the normal course of the Company's business.

##### (a) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Company. The amount of the Company's maximum exposure to credit risk is indicated in the carrying amounts of its financial assets. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 16. Financial Instruments (continued)

##### (a) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2018	2017
Cash and cash equivalents	\$	3,675,949	2,861,142
Accounts receivable, net		608,353	205,102
Intercompany receivable		2,009,398	2,093,165
Staff loans, net		171,062	165,013
	\$	6,464,762	5,324,422

There was no movement in the allowance for impairment in respect of staff loans.

##### (b) Foreign currency risk

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency. The currencies giving rise to this risk are primarily Pounds Sterling (GBP) and Canadian Dollars (CAD). The Company does not take any specific measures to mitigate against this risk. At the reporting date, there were no significant concentrations of foreign currency risk.

##### (c) Fair value

The fair values of cash and bank balances, accounts receivable, staff loans, accounts payable and accrued liabilities, bank overdraft and loan payable are not materially different from their carrying amounts. The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 16. Financial Instruments (continued)

##### (c) Fair value (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2018		2017	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Cash and cash equivalents	\$ 3,675,949	3,675,949	2,861,142	2,861,142
Accounts receivable	608,353	608,353	205,102	205,102
Intercompany receivable	2,009,938	2,009,938	2,093,165	2,093,165
Staff loans, net	171,062	171,062	165,013	165,013
Bank overdraft	-	-	1,728,237	1,728,237
Accounts payable and accrued liabilities	31,135,576	31,135,576	30,715,934	30,715,934
Loans payable	15,510,390	15,510,390	17,643,495	17,643,495

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. All non-financial instruments such as deferred revenue are excluded from fair value disclosure. Thus the total fair value amounts cannot be aggregated to determine the underlying economic value of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 16. Financial Instruments (continued)

##### (d) Liquidity risk

The following are the contractual maturities of financial liabilities:

##### Non-derivative financial liabilities

March 31, 2018

	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 31,135,576	(31,135,576)	(31,135,576)	-	-	-	-
Loans payable	\$ 15,510,390	(20,452,278)	(1,022,614)	(2,045,228)	(3,067,842)	(4,090,456)	(10,226,138)

The following are the contractual maturities of financial liabilities:

##### Non-derivative financial liabilities

March 31, 2017

	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 30,715,934	(30,715,934)	(30,715,934)	-	-	-	-
Loans payable	\$ 17,643,495	(22,565,198)	(2,113,420)	(2,045,228)	(4,090,456)	(6,135,684)	(8,180,410)

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 17. Loan Payable

On March 9, 2006 the Cabinet of Barbados authorized the following:

- (i) The Barbados Tourism Authority (the Authority) to act on behalf of the Government of Barbados to conclude negotiations with a cruise line company to ensure that the most effective option was chosen to secure cruise ship accommodation for the matches of the International Cricket Council Cricket World Cup 2007.
- (ii) The Ministry of Finance to issue a form of guarantee and/or payment acceptable to the cruise line company to secure the vessel for Barbados; and
- (iii) The procurement of the use of cruise ship facilities and services under Rule 137A of the Financial Administration and Audit Act Cap 5.

As a result of the Cabinet's decision, the Authority entered into an agreement with the Carnival Cruise Lines, owners of the Carnival Destiny, to lease the Carnival Destiny for an amount of US\$14,068,000 in order to supplement on-land accommodation for International Cricket Council World Cup 2007.

Under the terms of the lease agreement, the Authority was required to issue two irrevocable bank standby letters of credit in the amount of US\$14,068,000, for the cruise hire and US\$804,000 for onboard target revenue.

In order to comply with the terms of the lease agreement, on May 19, 2006, the Company entered into an agreement with the Bank of Nova Scotia ("BNS") to provide standby letters of credit in the amount of \$14,772,000 to Carnival Cruise Lines. The financial guarantees covered the charter hire cost of US\$13,968,000 (the lease amount of US\$14,068,000 less initial deposit of US\$100,000) and the potential loss of on-board revenue calculated at US\$804,000. The letters of credit were secured by a letter of comfort from the Government of Barbados.

The Carnival Cruise Lines made drawdowns of US\$4,589,384 on January 11, 2007, US\$4,689,383 on February 9, 2007, and on May 2, 2007 on the standby letter of credit, to meet the contractual obligations due to Carnival Cruise lines for the lease of the vessel.

The Company collected money from the tour operations with respect to the lease of their vessel to their customers. The majority of the money collected from the tour operators was then used to repay the outstanding loan.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 17. Loan Payable (continued)

The Carnival loan was paid off in June 2017.

	2018	2017
Carnival loan	\$ 1,076,491	2,154,547
National Insurance loan	12,669,804	13,674,362
Barbados Tourism Investment Inc. (BTII) loan	3,897,200	3,897,200
Repayments during the year	(2,133,105)	(2,082,614)
	15,510,390	17,643,495
Current portion	(5,072,866)	(3,126,414)
	\$ 10,437,524	14,517,081

#### (b) Carnival Loan

Interest on the Bank of Nova Scotia loan is charged at a rate of 2.24125%.

#### (c) NIS Loan

The proceeds of the loan was BDS\$17 million and was issued by the National Insurance Board in August 2011. This loan was to assist in the provision of working capital and is guaranteed by a letter of comfort from the Government of Barbados. The interest rate of the loan is 7.75% fixed with semi-annual payments every February and August 1st over the life of the loan. The maturity date of the loan is August 1, 2031.

Interest expense of \$ 1,079,069 was charged on the NIS loan during the year.

#### (d) BTII Loan

This amount represents a payment made on our behalf to GOL Airlines.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

### 18. Other Liability

BTMI has established the Barbados Tourism Marketing Inc. Pension Plan (“the Plan”) effective April 1, 2018. The Plan became operational in September 2020 when contributions were first remitted to the Plan in respect of its defined contribution members (contributions commenced by both the BTMI and these members from that date). The Plan’s Trust Deed was executed effective December 31, 2020. The Plan was submitted to the Financial Services Commission for registration under the Occupational Pension Benefits Act Cap 350B in 2021.

BTMI has booked a constructive liability of \$4.5M for the Plan. This constructive liability is the present value of the Plan’s defined benefit obligations on a going concern basis as at April 1, 2018 as determined by the Plan’s actuary – Eckler Ltd. This initial valuation was carried out by Eckler Ltd. as it is a requirement under the Occupational Pension Benefits Act Cap 350B (“the Act”) for the registration of the Plan by the Financial Services Commission. The next actuarial valuation is due, under the Act, as at April 1, 2021.

### 19. Vested Assets

On 1 September 2014, pursuant to the Vesting Act, 100% of the assets and liabilities were vested to BTMI as follows: -

<b>Current Assets</b>	
Cash and cash equivalents	\$ 8,040,618
Staff loans, net	181,040
	8,221,658
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	(22,465,390)
Loan payable	(3,192,836)
	(17,436,568)
Working capital deficiency	(17,436,568)
Plant and equipment	404,141
Loan payable	(18,380,274)
Deferred capital grants	(401,141)
	(18,377,274)
Total net deficit	\$ (35,816,842)



## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

## 20. Subsequent Events

### (a) Formation of New Entities

Following the Government of Barbados' decision to dissolve the Barbados Tourism Authority and create two new business entities, effective September 1st 2014, the BTMI was established as a wholly government owned limited liability company operating under the Companies Act, Cap 308 with the sole responsibility for the marketing of Barbados' tourism. The BTPA was also created and charged with the responsibility to maintain Barbados' competitiveness in the global tourism market by planning and coordinating continuous improvement in the quality of Barbados' tourism products and services.

During 2019, the Cabinet of Barbados mandated the Board of the Barbados Tourism Marketing Inc. (BTMI) to execute the process of transfer of the operations and functions of the Barbados Tourism Product Authority (BTPA) to the BTMI. The transfer of functions of the BTPA into BTMI became effective March 25, 2019.

The transfer included all functions except the regulatory and licensing function conferred by the BTPA Act upon the BTPA, which therefore could not be executed by BTMI as a private Company under the Companies Act Cap. 308.

### (b) NIS Loan

During 2019, as a consequence of the acceptance of the Government of Barbados' Domestic Debt Exchange Offer, the facility previously held by Barbados Tourism Marketing Inc. at the National Insurance Board has been exchanged for new Government of Barbados securities which will be serviced by the government. These securities are valued at \$7,464,519.

### (c) Intragovernmental Debt Write-off

By Memo Ref 5741/00 Vol.1, the Ministry of Finance, Economic Affairs and Investment (MOFEI) instructed State Owned Enterprises and other public bodies to ensure that all claims on other state owned enterprises and other public sector bodies prior to September 1, 2018 be written off (including tax refunds and budgetary transfers which have not been made).

In addition, any amounts owed to other public sector bodies (including the Barbados Revenue Authority) incurred prior to September 1, 2018 should be been written off. These write-offs should have taken place with effect as of December 31, 2018 for bookkeeping purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

For the year ended March 31, 2018

(Expressed in Barbados dollars)

#### 20. Subsequent Events (continued)

##### (c) Intragovernmental Debt Write-off (continued)

The purpose of these write-offs, which are part of the Barbados Economic Recovery and Transformation program, is to:

- rationalise intragovernmental relationships;
- ensure that the public sector's accounting for assets and liabilities is true and fair;
- place Barbados's public debt firmly on a sustainable footing.

#### 21. Covid 19 Assessment

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, in recognition of its rapid spread across the globe. Management continues to consider the impact of the pandemic.

The full extent of the impact of the COVID-19 outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions and its impact on the overall economy, all of which are highly uncertain and cannot be predicted.

There will be a rapid fall in the visitor arrivals that BTMI aims to bolster through its marketing initiatives. The virtual collapse in tourism—which accounts for 40 percent of economic activity—will significantly depress Barbados' economic activity in 2021.



**BARBADOS**<sup>®</sup>  
TOURISM MARKETING INC.