# Tourism Market Study and Identification of Investments for the Sustainable Tourism Program II in Belize (BL-L1020)

## *Preliminary Draft Report*

*Mainstreaming Biodiversity, Ecosystem Services and Coastal Resilience in Tourism Development (BL-T1071; BL-T1064)*

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**Introduction**

This report was prepared under contract to the Inter-American Development Bank in preparation for the formulation of Sustainable Tourism Program II by authorities of the Government of Belize and the IDB. The destinations under consideration include Corozal, Toledo, the Chiquibul-Caracol Complex located in Cayo district and Caye Caulker. The treatment of Caye Caulker in this report is more limited since the level of research for that destination was more limited. The opinions expressed in this report reflect solely those of the author of the report.

**List of Abbreviations**

| | |
|---|---|
| ATM | Aktun Tunichil Maktun archeological cave |
| BNTOA | Belize National Tour Operator Association |
| BTB | Belize Tourist Board |
| BTIA | Belize Tourism Industries Association |
| CCC | Chiquibul-Caracol Complex |
| FCD | Friends of Conservation and Development |
| FIT | free and independent travelers |
| IT | inclusive tour (packages) |
| Mn | million |
| MPR | Mountain Pine Ridge Forest Reserve |
| Pa | per annum |
| PPP | public-private partnership |
| RevPAR | revenue per available room |
| SME | small and medium enterprises |
| TIDE | Toledo Institute for Development and Environment |
| VEMS | Visitor expenditure and motivation survey |

# Chapter 1 Survey of the National Tourism Sector

## Belize versus the International Competition

As the only English-speaking country of Central America, Belize is part of Central America and also part of the Caribbean being located at its western edge and as such competes in both regions. The table following presents the trend in visitor arrivals since 2010 for Belize, as well as for the world, for Central America, for the Caribbean and for Costa Rica and Guatemala. The performance of Belize compares quite favorably being the clear leader in terms of average rate of growth since the year 2010, achieving a healthy rate of 7.4% while the world average was 4.8% and the rate for Central America was 5.0%.

**Overnight Visitor Arrivals and Growth Rates 2010-2014 for Selected Areas - UNWTO**

| | World | | Central America | | Caribbean | | Costa Rica | | Guatemala | | **Belize** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | millions | change | (000) | change | (000) | change | (000) | change | (000) | change | (000) | change |
| 2010 | 940 | 6.5% | 7,908 | 3.5% | 19,539 | -0.3% | 2,100 | 9.2% | 1,219 | -12.4% | 242 | 4.2% |
| 2011 | 983 | 4.6% | 8,320 | 5.2% | 20,811 | 6.5% | 2,196 | 4.6% | 1,225 | 0.5% | 250 | 3.4% |
| 2012 | 1,035 | 5.3% | 8,872 | 6.6% | 20,887 | 0.4% | 2,343 | 6.7% | 1,305 | 6.5% | 277 | 10.7% |
| 2013 | 1,087 | 5.0% | 9,192 | 3.6% | 21,229 | 1.6% | 2,428 | 3.6% | 1,331 | 2.0% | 294 | 6.1% |
| 2014 | 1,133 | 4.2% | 9,600 | 4.4% | 22,446 | 5.7% | 2,527 | 4.1% | 1,455 | 9.3% | 321 | 9.2% |
| trend | 48 | 4.8% | 423 | 5.0% | 727 | 3.6% | 107 | 4.8% | 59 | 4.6% | 20 | 7.4% |

note: Trend line indicates 4-year average growth in arrivals (thousands) and rate of growth.

*source: UNWTO World Tourism Barometer April 2015; BTB for Belize.*

Other observations follow from the comparison of the trends shown in the above table.

- The period 2010-2014 reflects an era of recovery/rebound from the Great Recession when many destinations lost business and entered slumps during 2008-2010.
- The table presents only overnight tourist statistics and no cruise information.
- The Caribbean underperforms by comparison with its combination of high cost destinations and mature ones not focusing on generating strong growth in arrivals.
- For a destination that is “out of the mainstream” like Belize, this is a very respectable performance. This is evidence it is building a good name in the international marketplace.
- Because Belize’s growth has been strong during this period of rebound, its market share over the period 2010-2014 has risen from 1.2% in the Caribbean to 1.4%, and from 3.1% to 3.3% in Central America.

Recent positive developments as evidence of the destination’s good image include the rankings by TripAdvisor of San Pedro in 2$^{nd}$ place and San Ignacio in 10$^{th}$ place for the top 10 destinations in Central America in 2015 (covering 7 nations). In the cruise world, a major US operator has announced plans to develop a private island near Placencia. Finally, Southwest Airlines of the US will start flights into Belize from its Houston hub from October 2015. With this launch of service all four of the US mega-carriers will be connecting Belize to their vast service networks across North America. These developments will favor continued growth in the short to medium term.

Belize's top competitors

A number of tour operators identified the following countries as the main countries competing with Belize.

**Costa Rica**: This country helped create a major travel product called ecotourism catering to nature-lovers and soft adventure enthusiasts of water sports and of land-based activities. It has excelled in providing good interpretation of its geology, flora and fauna and in packaging good experiences in its national parks and protected areas. It has succeeded without the benefit of having major colonial towns or remains of ancient civilizations to present. *2.5 mn arrivals in 2014*.

**Guatemala**: It is an anchor country for tourism in Central America particularly for cultural tourism. It presents the Mayan world both the ancient ruins and the living Maya society. Tikal is its premier archeological site which has established Petén as a destination for cultural and ecotourism. *1.5 mn arrivals in 2014.*

**Mexico**: It is primarily the Chiapas, Yucatan and Quintana Roo states that are competitive. They offer the living Maya society, many ancient Olmec and Maya archeological sites, Palenque, Chichen Itza, Uxmal and Tulum being the best known. They also offer colonial towns and the mega-destination of Cancun. The island of Cozumel is also known for its diving, and is located at the far north end of the Mesoamerican barrier reef. *29.1 mn arrivals in 2014*.

**Honduras**: It positions itself as a ridge to reef destination pairing its inland parks, and major Maya archeological site of Copan with the popular Bay Islands for the dive/snorkel experience. The islands lie at the southern end of the Mesoamerican barrier reef. *868,000 arrivals in 2014*.

There are other destinations around the Caribbean also known as dive favorites including Bonaire, the Virgin Islands, the Bahamas and Turks and Caicos.

## Key indicators and metrics

The table below presents a time series of visitor arrivals and other selected indicators for tourism to Belize, covering 2000 to 2014 and including both overnight arrivals and cruise passengers. Over this period the volume of cruise passengers has grown from just under 50,000 in the year 2000 to levels far exceeding the volume of stayover arrivals[1].

[1] A point of terminology: stayover and overnight visitors are equivalent and require a 24 hour stay. This excludes one-day visitors like cruise passengers per UNWTO usage, who come under the day visitor or excursionist category.

**Key Tourism Indicators (2001-2014)**

| | 2000 | 2005 | 2010 | 2011 | 2012 | 2013 | 2014 | 2000-14 growth |
|---|---|---|---|---|---|---|---|---|
| **Stay Over Visitor Arrivals** | | | | | | | | |
| United States | 104,698 | 147,123 | 146,301 | 154,502 | 169,623 | 176,688 | 199,320 | 4.7% |
| EU | 23,710 | 31,587 | 28,439 | 26,202 | 22,596 | 24,457 | 38,905 | 3.6% |
| All Other Nations | 30,517 | 34,595 | 45,730 | 46,779 | 59,068 | 64,538 | 66,427 | 5.7% |
| Mexico | 6,171 | 7,603 | 4,111 | 4,764 | 5,048 | 5,352 | 6,938 | 0.8% |
| Guatemala | 7,355 | 6,128 | 2,049 | 1,010 | 958 | 1,221 | 9,630 | 1.9% |
| **Total Stay Over** | **172,451** | **227,036** | **226,632** | **233,258** | **257,292** | **272,255** | **321,220** | 4.5% |
| **Cruise Ship Landed pax** | **49,411** | **720,300** | **688,165** | **654,790** | **576,661** | **609,612** | **871,318** | 22.8% |
| **Total Arrivals** | **221,862** | **947,335** | **914,797** | **888,048** | **833,953** | **881,867** | **1,192,538** | 12.8% |
| Number of Port Calls | 70 | 370 | 279 | 269 | 236 | 229 | 345 | |
| Hotel Occupancy Rate % | 41.7 | 42.1 | 34.9 | 39.6 | 42.1 | 46.5 | 47.3 | |
| Length of Stay (days) | 7.0 | 7.0 | 7.3 | 7.2 | 7.0 | 7.4 | 6.7 | |

*Sources: Central Bank of Belize and Belize Tourism Board; 2014 stayover figures added.*

- The year 2014 saw stayover volume exceed 300,000 for the first time, and cruise volume exceed the 800,000 level, bringing the total to over the 1 million mark, another milestone.
- The US market being the strongest sets the pace exhibiting 4.7% growth over the period.
- The EU market reversed a downward trend started in 2010; it remains a very limited one in the broader picture.
- Volume with the neighbors Guatemala and Mexico has experienced very weak growth. The Guatemala figures experienced a very deep downturn during 2011-2013. This is evidence that cross border conditions are not ideal.
- The cruise industry has achieved over the full period an extraordinary compound average growth rate of 22.8%. This indicates for the cruise lines the continuing profitability of operating into Belize with their growing fleets.
- It is significant that the hotel occupancy percent during the worst of the Great Recession (2010-2011) sank into the 30% range but has rebounded strongly to exceed 47% in 2014. Moreover this has occurred while the industry has added rooms to its capacity.

The last two lines of this table displaying data on hotel occupancy and length of stay (LOS) when examined together signify an interesting industry achievement. The hotel occupancy percents for most of the years are falling in the low 40s, but sank into the 30s in the wake of the Great Recession, then achieved a recovery to reach 46% and 47% in 2013 and 2014, which are perhaps all-time highs. This could signify better utilization of capacity and higher profitability. Moreover, it appears that the hotel owners achieved the stronger occupancies when the average LOS was actually declining, falling to 6.7 days in 2014, for the first time coming in below the 7 to 8 day level typical of prior years. This drop may reflect the popular pattern of weeklong packages for US travelers typically scheduled from Saturday to Saturday. It also may result from the uptick in European arrivals reaching a record level at nearly 39,000 visitors in 2014. The Europeans have a LOS of 5.6 and their increased numbers will have the effect to bring down the total's average LOS.

Arrivals by ports of entry

The following table shows the ports of entry and usage of each by tourist arrivals in 2013. The Philip Goldson International Airport is the sole air gateway for Belize, and 76% of arrivals used this port of entry. About 20% use the overland crossing points, one in Corozal District in the north, the other in Cayo District in the west. Travelers arriving overland from the Maya Riviera, Cancun and any other Mexican points use this entry port. Similarly those arriving from Guatemala's Petén district, home of the famed Mayan site of Tikal, use the Western border station at Benque Viejo del Carmen.

2013 Total Overnight Tourist Arrivals by Port of Entry

| | arrivals | share |
|---|---|---|
| P Goldson Int. Airport | 223,510 | 76.0% |
| Northern border | 31,369 | 10.7% |
| Western border | 28,753 | 9.8% |
| Stann Creek seaport | 2,997 | 1.0% |
| Punta Gorda seaport | 7,548 | 2.6% |
| total | 294,177 | |

*source: BTB Statistical Digest 2013, Table 1.5*

Sea taxi services are operating scheduled runs to two points in Guatemala, to a port in Honduras and also to Chetumal in Mexico, a very short distance across the bay from Corozal. However the volume of tourist arrivals using water services is very limited, amounting to under 4% of total arrivals.

## Changing Structure of the industry: stayover vs. cruise tourism

The table below contains additional data on stayover versus cruise passengers since 2006, released by Belize Tourist Board (BTB). The growth patterns of each are somewhat different with the cruise pattern showing a higher level of variability than the overnight arrivals pattern.

| Stayover and Cruise Tourism to Belize 2006-2014 | | | | | | |
|---|---|---|---|---|---|---|
| | cruise passengers | growth | overnight arrivals | growth | total tourists | growth |
| 2006 | 655,931 | | 247,309 | | 903,240 | |
| 2007 | 624,128 | -4.8% | 251,422 | 1.7% | 875,550 | -3.1% |
| 2008 | 597,370 | -4.3% | 245,007 | -2.6% | 842,377 | -3.8% |
| 2009 | 705,219 | 18.1% | 232,249 | -5.2% | 937,468 | 11.3% |
| 2010 | 764,628 | 8.4% | 241,919 | 4.2% | 1,006,547 | 7.4% |
| 2011 | 727,878 | -4.8% | 250,263 | 3.4% | 978,141 | -2.8% |
| 2012 | 640,734 | -12.0% | 277,135 | 10.7% | 917,869 | -6.2% |
| 2013 | 677,350 | 5.7% | 294,177 | 6.1% | 971,527 | 5.8% |
| 2014 | 968,131 | 42.9% | 321,220 | 9.2% | 1,289,351 | 32.7% |
| pa growth % | 5.0% | | 3.3% | | 4.5% | |
| pa growth pax | 39,025 | | 9,239 | | 48,264 | |
| *source: BTB Travel & Tourism Statistics Digest 2013 and data releases.* | | | | | | |

The cruise industry in Belize has passed through periods of growth and contraction since 2006 achieving a massive 43% jump in activity in 2014 with a disembarking passenger total approaching the one million mark. This growth has been possible without the use of any dockside mooring locations, requiring the operators to rely on offshore anchoring and tendering arrangements. Despite this irregular pattern of growth, there appears to be enough slack among transport, tour guides and tour operators to handle this traffic of shore excursions and systematically distribute it among a number of attractions in the Belize and Cayo districts, generally within a 90 minute driving radius of the Belize docks. The data released by the Institute of Archeology on paid visitors to archeological reserves indicates that in 2014 a total of 184,000 cruise passengers visited these sites versus 203,000 stayover tourists. The number one site in terms of visitors is Caves Branch, offering many nature-based activities in addition to the archeology. It drew 149,000 paid visitors in 2014 followed by Altun Ha (92,000) and Xunantunich (61,000).

During the years since 2006 the overnight tourist industry has grown an average of 9,239 additional tourists per year, while the cruise industry grew 39,025 per year. Information on comparative expenditures is provided under the economic section of this paper.

## Spatial distribution of tourism

A look at the distribution of hotel capacity around the country gives a perspective on just where the spending from tourism filters into the local economy. The economic section of this chapter presents data on the distribution around Belize of jobs related to tourism. The table adjacent shows the data on the country's lodging industry with number of hotels, rooms and average room sizes for 11 different areas making up Belize. Some observations follow.

- At 9 rooms the average size of business reflects that of a cottage or community based industry.
- Some 40% of capacity is located on the islands, reflecting Belize's renown as a dive destination.
- Many hotels are owner-operated establishments and all levels of quality are represented.
- On the mainland Cayo has the largest share, 15.5% of total rooms, i.e. 1,144, which includes Belmopan hotels.
- Outside of Belize City it appears that no foreign hotel chain is operating any hotel.
- The product can be specialized and personal and is often not suited for the mass market for which Mexico, Costa Rica and the Caribbean are competing.
- Continued annual occupancies at the 47% level or higher will most likely stimulate more investment in new lodging establishments.

**2015 Belize Hotel Capacity by Key Area**

| key area | hotels | rooms | share | average rooms |
|---|---|---|---|---|
| Belize City | 32 | 684 | 9.3% | 21 |
| Belize rural | 25 | 250 | 3.4% | 10 |
| Caye Caulker | 107 | 712 | 9.6% | 7 |
| Cayo | 122 | 1144 | 15.5% | 9 |
| Corozal | 33 | 368 | 5.0% | 11 |
| Offshore islands | 43 | 392 | 5.3% | 9 |
| Orange Walk | 23 | 289 | 3.9% | 13 |
| Placencia | 136 | 781 | 10.6% | 6 |
| San Pedro | 166 | 1833 | 24.8% | 11 |
| Stann Creek | 80 | 604 | 8.2% | 8 |
| Toledo | 40 | 323 | 4.4% | 8 |
| total | 807 | 7380 | | 9 |

source: BTB

There are great differences from area to area in the performance of the hotel industry as is evident from the following table of industry indicators made available by the BTB.

**Hotel Performance by Key Area 2014**

| | occupancy | average room rate US$ | revenue per available room US$ | comment |
|---|---|---|---|---|
| Belize District | 59.1 | $ 83 | $ 60 | highest occupancy |
| Ambergris | 52.0 | $ 229 | $ 129 | highest rate |
| Caye Caulker | 43.2 | $ 69 | $ 48 | |
| Cayo | 43.2 | $ 110 | $ 70 | |
| Corozal | 32.5 | $ 52 | $ 19 | lowest rate, RevPAR |
| Orange Walk | 46.3 | $ 68 | $ 41 | |
| Stann Creek | 53.0 | $ 138 | $ 111 | |
| Placencia | 37.2 | $ 167 | $ 86 | |
| Toledo | 30.1 | $ 86 | $ 36 | lowest occupancy |
| Other Islands | 35.4 | $ 128 | $ 52 | lowest island occ. |
| total | 47.4 | $ 141 | $ 86 | |

source: BTB data.

In terms of the year's room occupancy level, the highest one, 59%, was achieved in Belize District which includes the country's economic capital city, drawing a variety of market segments all across the year. Stann Creek district and Ambergris were the only other areas to achieve occupancies over the 50% level. As for the average room rates, Ambergris and Placencia lead the country with Ambergris' $229 rate by far the leading rate, followed by Placencia's $167 rate. Caye Caulker, Corozal and Orange Walk ended the year with rates below $70, the Corozal rate of $52 being the very lowest.

The right side column of figures shows the Revenue per Available Room (RevPAR), an industry measure of yield equal to the product of the occupancy times the average room rate. Once again Ambergris and Stann Creek were the leading performers, being the only areas with RevPARs above the $100 threshold (green highlights). At the other end of the ranking, Corozal, Toledo (red highlights) and Orange Walk whose rates respectively are $19, $36 and $41, occupy the last places, with yields less than half the national average of $86. This suggests that these districts are not attracting higher rate segments.

Further evidence of concentration is that Belize's island destinations, with 36% of total rooms, earned 55% of the nation's total accommodation revenues in 2013 because of their higher achieved room rates and occupancies. The sole destination of Ambergris Caye earned 46% of national revenues and Caye Caulker 6.1%. On the mainland the percentages for Corozal, Cayo and Toledo districts were 1.4%, 12.1% and 1.3% respectively[2].

The tour operator and tour guide inventories show somewhat similar patterns of distribution in the different areas of the country as that of the hotel industry. However being fully mobile providers they mobilize easily in peak periods during the winter or on cruise days, to work where the needs are greatest.

## Economic contribution

*Contribution to GDP*

Like most countries the Belize government does not treat tourism as a sector in its national accounts and for this reason it is the WTTC that produces this information for a number of countries using a methodology that derives direct impacts and total impacts on GDP, employment, investment and visitor "exports" (expenditures). The total impacts (called contributions) include the direct ones plus all indirect and induced effects. The table below shows both levels of impact on GDP, direct and total, for 2014, an estimate for 2015 and a forecast for 2025.

**Travel & Tourism Contribution to Belize GDP - WTTC**

| unit: US$ mn | 2014 actual | 2015 estimate | growth | 2025 forecast | growth |
|---|---|---|---|---|---|
| Direct contribution | 250.8 | 249.7 | -0.4% | 360.1 | 3.7% |
| share of GDP | 15.0% | 14.5% | | 15.9% | |
| total contribution | 655.9 | 659.7 | 0.6% | 972.45 | 4.0% |

[2] BTB Statistics Digest 2013 page 79 and Table 6.15.

| | | | |
|---|---|---|---|
| share of GDP | 39.2% | 38.5% | 42.8% |
| source: WTTC Travel & Tourism Economic Impact Belize 2015, p 3. | | | |

The sector's total contribution to GDP, 39.2% for 2014, puts Belize in 13th place per WTTC ranking of 184 nations. This suggests how heavily reliant the economy is on tourism, a situation which is common in the Caribbean region. This ratio is forecast to rise to 42.8% by 2025. WTTC forecasts a 4% average annual growth rate in Belize tourism's total contribution over the 2015-2025 decade, and in terms of growth rates for tourism GDP, ranks it in 100th place in the world roster. This rate of 4% is higher than the WTTC's forecast growth rates over this same decade at the world and Americas levels, being 3.8% and 3.5% respectively.

*Balance of Payments*

The tourism sector's role as a foreign currency earner for the economy is highlighted in the table below which compares income from tourism (inflows) with merchandise exports FOB over the period of 2001-2014 when the economy (at market prices) averaged growth of 4.9%. Over this period merchandise exports grew at 6% while tourism inflows grew at 9% causing the ratio of tourism inflows to exports to rise from 42% to 63% as a result, signifying the economy's growing reliance on tourism services. This ratio has strengthened substantially since 2011 when it fell to 40.2% versus 51.2% in 2010.

**Selected Economic Indicators (2001 - 2014)**

| | 2001 | 2010 | 2011 | 2012 | 2013^R | 2014^P | 2001-14 growth rate |
|---|---|---|---|---|---|---|---|
| **POPULATION AND EMPLOYMENT** | | | | | | | |
| Population (Thousands) | 255.3 | 323.0 | 332.7 | 338.9 | 347.8 | 356.9 | 2.4% |
| Employed Labour Force (Thousands) | 85.9 | 100.7 | n.a. | 126.7 | 131.4 | 134.6 | 3.3% |
| Unemployment Rate (%) | 9.1 | 23.3 | n.a. | 14.4 | 11.7 | 11.1 | |
| **GDP** | | | | | | | |
| GDP at Current Market Prices ($mn) | 1,743.7 | 2,794.2 | 2,974.0 | 3,147.7 | 3,248.6 | 3,398.3 | 4.9% |
| Per Capita GDP ($, Current Mkt. Prices) | 6,830.0 | 8,651.6 | 8,939.0 | 9,287.1 | 9,339.7 | 9,520.5 | 2.4% |
| Real GDP Growth (%) | 5.0 | 3.3 | 2.1 | 3.8 | 1.5 | 3.6 | |
| **BALANCE OF PAYMENTS (US $mn)** | | | | | | | |
| Merchandise Exports (f.o.b.) | 261.1 | 478.2 | 603.6 | 621.6 | 608.1 | 588.7 | 6.0% |
| **Tourism (Inflows)** | **110.5** | **244.9** | **242.4** | **292.4** | **344.4** | **372.5** | **9.1%** |
| **Tourism as ratio to Merchandise Exports** | **42.3%** | **51.2%** | **40.2%** | **47.0%** | **56.6%** | **63.3%** | |

P - Provisional
R - Revised
n.a. not available
*Sources: MOF, SIB and Central Bank of Belize; extracted from "Major Economic Indicators" table retrieved from CBB website.*

*Employment*

The data on employment in the tourism sector is shown in the table adjacent, showing a total of nearly 19,000 persons employed. This represents a 14.3% share of the employed labor force shown in the table above. The total figure is divided into 6 areas, with the largest share 46% stated for the Belize area including Belize City as the nation's gateway and transport hub, and the rural district of the same name. It has a large cluster of hotels, transportation hubs and handles the bulk of the nation's cruise activity.

| **Persons Employed by Tourism 2013** | | |
|---|---|---|
| | persons | Share |
| Corozal | 1,555 | 8.2% |
| Orange Walk | 1,386 | 7.4% |
| Belize | 8,716 | 46.2% |
| Cayo | 4,243 | 22.5% |
| Stann Creek | 2,126 | 11.3% |
| Toledo | 824 | 4.4% |
| Total | 18,850 | 100.0% |
| *source: BTB Statistics Digest 2013, Table 7.5* | | |

The table below presents the WTTC findings on the direct and total contribution of 'travel & tourism' to the country's employment picture. The 35% share (total jobs indirect+induced included) for 2014 places Belize in 15th rank of the 184 countries listed. As regards the forecast raising total employment from 49,000 to 77,000 over the decade ending in 2025, the underlying rate of growth in jobs of 4.5% is ranked the 5th highest rate of all nations listed, indicating the sector's growing importance for the labor force.

| **Travel & Tourism Contribution to Belize Employment - WTTC** | | | | | |
|---|---|---|---|---|---|
| unit: 000s jobs | 2014 actual | 2015 estimate | growth | 2025 forecast | growth |
| Direct contribution | 18.0 | 18.5 | 1.2% | 28.0 | 4.4% |
| share total jobs | 13.4% | 13.0% | | 14.1% | |
| total contribution | 48.0 | 49.0 | 2.2% | 77.0 | 4.5% |
| share total jobs | 35.3% | 34.7% | | 38.7% | |
| source: WTTC Travel & Tourism Economic Impact Belize 2015, p 4. | | | | | |

*Total expenditures by Stayover versus Cruise*

To grasp the economic impacts of these two types of tourism, the following table presents BTB's data of yearly expenditures of each type, for the period 2006-2013. The figure for cruise expenditure has equaled about 14% of overnight expenditure and the growth rates for each measure, 5.8% over the period, are the same. However, during 2014 cruise arrivals experienced a record year with a 43% hike versus a 9% one for overnight visitors, so as a result the cruise ratio of expenditure to overnight expenditure will possibly double to reach the 25-30% range. This trend depicts a growing reliance of providers of excursions and transport in the industry on cruise tourism.

**Total Estimated Tourist Expenditure: Overnight & Cruise Types of Tourism**

| unit: US$mn | overnight | cruise | total |
|---|---|---|---|
| 2006 | 222 | 31.1 | 253 |
| 2007 | 258 | 35.4 | 293 |
| 2008 | 248 | 33.9 | 282 |
| 2009 | 173 | 38.0 | 211 |
| 2010 | 208 | 42.2 | 250 |
| 2011 | 213 | 44.0 | 257 |
| 2012 | 276 | 43.5 | 320 |
| 2013 | 329 | 46.0 | 375 |
| pa growth | 5.8% | 5.8% | 5.8% |

*source: BTB Statistics Digest 2013, Table 7.6*

## Overnight tourism markets and segments

This section examines trends as to segmentation for overnight tourism since 2006 which corresponds to the years prior to the world economic downturn of 2007-2008 (Great Recession) up until 2014. It briefly revisits the topic of geographic segments, before covering purpose of visit, average daily expenditures, by trip purpose, and geographic origin, length of stay, participation rates in activities and attractions visited.

*Geographic market*

Overall the performance of Belize's tourism over this time series is one of major growth at a rising pace, as the industry recovered from the slump of 2008-2010 when much of the world's tourism lost its momentum.

**2006-2014 Overnight Tourist Arrivals by Geographic Market**

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | CAGR |
|---|---|---|---|---|---|---|---|---|---|---|
| American | 151,510 | 152,569 | 148,624 | 139,561 | 145,872 | 156,293 | 176,642 | 183,513 | 199,320 | 3.5% |
| European | 34,373 | 34,175 | 34,269 | 29,603 | 30,025 | 30,142 | 29,362 | 32,191 | 38,905 | 1.6% |
| Canadian | 15,553 | 16,655 | 17,695 | 17,211 | 18,246 | 20,093 | 24,223 | 26,713 | 26,397 | 6.8% |
| Returning Residents | 8,365 | 9,160 | 8,779 | 8,365 | 8,817 | 10,157 | 12,102 | 11,489 | 13,858 | 6.5% |
| Guatemalans | 13,616 | 14,130 | 11,674 | 12,957 | 12,448 | 7,423 | 7,048 | 8,860 | 9,630 | -4.2% |
| Mexicans | 5,855 | 5,752 | 4,774 | 4,783 | 4,840 | 5,598 | 5,164 | 5,842 | 6,938 | 2.1% |
| Other | 18,037 | 18,981 | 19,193 | 19,769 | 21,672 | 20,557 | 22,594 | 25,567 | 26,171 | 4.8% |
| TOTAL | 247,309 | 251,422 | 245,007 | 232,249 | 241,919 | 250,263 | 277,135 | 294,177 | 321,220 | 3.3% |

CAGR = compound annual growth rate

*source: BTB data*

In 2014 Belize arrivals for the first time reached the 300,000 level and the US figure nearly attained the 200,000 level. In general, the US market has been in the range of 60-64% of the total, while the European market has fluctuated in the 11-14% range tending towards the 11% level per its weaker growth. In growth terms the segments of Canadians and Returning Residents have achieved the highest growth rates over this period, both with rates exceeding 6%, well over the total's average of 3.3%. At the other end of the spectrum, the combined total of Mexicans and Guatemalans has fallen over this period, from over 19,000 to approximately 16,500.

*Segments by purpose of visit*

The following table presents data on arrivals by purpose of visit for 2010 and 2014, based on four broad segments, the largest being the regular (meaning leisure) segment. In 2014 with nearly a quarter million visitors it represented a 75.5% share. The other segments are visiting friends and relations (VFR), business and official. As for the growth trends over this period it is the leisure segment that set the pace with a 7.5% average growth rate, slightly higher than the total's average growth rate of 7.3%. This segmentation is based on tabulations of the data from travelers' landing cards.

**2010-2014 Total Overnight Tourist Arrivals by Purpose of Visit**

| type | 2010 | share | 2014 | share | growth |
|---|---|---|---|---|---|
| Regular | 186,498 | 76.5% | 248,957 | 75.5% | 7.5% |
| VFR | 44,074 | 18.1% | 54,781 | 17.1% | 5.6% |
| Business | 9,323 | 3.8% | 15,035 | 4.7% | 12.7% |
| Official | 2,025 | 0.8% | 2,447 | 0.8% | 4.8% |
| Total | 243,930 | | 323,234 | | 7.3% |

Note: Regular means leisure; VFR means visiting friends & relatives.
*source: BTB Statistical Digest 2013, Table 1.4 updated by consultant.*

*Expenditure by origin and purpose of visit*

The BTB's annual Visitor Expenditure and Motivation and Satisfaction survey (VEMS) interviews two to three thousand travelers per year to develop intelligence on tourist behavior. The tables below provide some of this data (preliminary for 2014) for the above set of segments. The following table presents average daily expenditure (US dollars) by purpose of visit and geographic origin.

**Average Daily Expenditure per visitor by Country/Region of Origin and purpose of visit, 2014**

| unit: US$ | Holiday/ Leisure | Business | Visit Friends | Religion | DK/NS | Other | Total |
|---|---|---|---|---|---|---|---|
| USA | 186.80 | 205.86 | 100.18 | 151.81 | 124.60 | 161.57 | 181.13 |
| CANADA | 144.20 | 170.43 | 73.53 | 121.86 | 0.00 | 177.76 | 141.59 |
| EUROPE | 88.96 | 189.05 | 106.10 | 0.00 | 0.00 | 78.72 | 90.77 |
| CARIBBEAN | 157.76 | 224.11 | 98.80 | 224.14 | 0.00 | 50.00 | 197.86 |
| CENTRAL AMERICA | 103.91 | 198.84 | 62.18 | 89.58 | 0.00 | 139.44 | 120.62 |
| DK/NS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Other | 94.04 | 135.30 | 71.96 | 60.42 | 0.00 | 126.74 | 95.37 |
| **TOTAL** | **164.01** | **203.27** | **96.78** | **150.81** | **124.60** | **156.54** | **162.10** |
| *source: BTB Table 4.27 preliminary release.* | | | | | | | |

The total average of $162 is close to the holiday/leisure average of $164, which gets by far the heaviest weighting. Business visitors at $203 clearly generate the highest average spend of any trip purpose. As for geographic segment it is the Caribbean visitors that generate the highest spend, nearly $198 with the USA segment taking second place at $181. These findings on average expenditure have been rising steadily with world price levels. The comparable values for 2013 was $156.85, and for 2012 $145.27.

*Average length of stay*

This indicator has been falling as seen in the second table in the paper, displaying key indicators. The leisure market is the dominant one and its LOS of 6.7 nights matches the average for the total. The segment of visiting friends and relatives has the longest stay, 8.3 nights. This is logical due to their propensity to stay with friends and relatives rather than in commercial lodging.

**Average length of stay (nights) by purpose of visit and season**

| | SUMMER | WINTER | TOTAL |
|---|---|---|---|
| Holiday/leisure | 6.4 | 7.0 | 6.7 |
| Business | 5.5 | 5.3 | 5.4 |
| Visit Friends | 8.2 | 8.5 | 8.3 |
| Religion | 7.1 | 7.3 | 7.2 |
| DK/NS | 6.5 | 10.0 | 7.7 |
| Other | 6.0 | 6.6 | 6.2 |
| Total | 6.5 | 7.0 | 6.7 |

note: DK/NS means don't know/not sure.
Source: Statistical Institute of Belize

**Visitors Ratios by Activities Done**

| activity | ratio |
|---|---|
| diving | 23.8% |
| snorkeling | 67.3% |
| island tour | 25.2% |
| caving | 32.9% |
| birding | 11.6% |
| gaming | 1.6% |
| other | 13.3% |
| fishing | 22.2% |
| sailing | 13.1% |
| canoe/kayak | 21.5% |
| jungle trek | 34.4% |
| Culture event | 15.3% |
| none | 7.0% |
| DK/NS | 1.5% |

*source: BTB Statistical Digest 2013, excerpt from Table 3.20*

*Participation in activities*

The VEMS survey produces participation rates in various activities readily available in various parts of the country as a measure of the level of appeal of each one. All are nature-based activities with the exceptions of gaming (gambling) and culture. A few observations follow below.

- The strongest response by far is snorkeling, 67%, the sole activity to exceed 35%. Island tours and diving are the next water-oriented activities with 25% and 24% respectively.
- Jungle trek (34%) and caving (33%) take 2nd and 3rd place. Both are widely offered inland activities in natural areas.
- Respondents included visitors from all segments by trip purpose and geographic origin.
- Visitors are asked which activities they actually did during the trip, not what they would like to have done.

*Attractions visited*

The same survey queries visitors on attractions visited during their stays in Belize and the following findings have been extracted from the BTB report (Statistical Digest 2013). The first four listed in the adjacent table deal with the offshore environment and with the marine protected areas, some of which include coastal zones. These have the highest responses as a group. The land-based options covering archeological sites, natural reserves and museums, shown in the lower half of the table, fetch somewhat lower rates.

**Visitors Ratios by Attractions visited**

| attraction | ratio |
|---|---|
| Barrier Reef | 53.4% |
| Marine protected areas | 47.4% |
| Offshore islands | 46.7% |
| Blue Hole | 12.3% |
| Archeological sites | 42.3% |
| National park/reserve | 40.4% |
| Museum/historical sites | 19.2% |
| other | 3.9% |
| none | 9.4% |
| DK/NS | 2.4% |

*source: BTB Statistical Digest 2013, excerpt from Table 3.19*

## Market capture by destination

To better grasp the performance of the four destinations under study, the responses on visitor behavior collected via the BTB's yearly VEMS (Visitor expenditure, motivation and satisfaction) survey with respect to places visited while in Belize, have been used to estimate visitor volumes or the "market capture" of each different region or destination of Belize. This is a rough measure of market share and of the appeal or competitiveness of each destination. Results are shown in the following exhibit where the Corozal, Cayo and Toledo districts are highlighted in yellow. The national picture tells a story of no growth between 2006 and 2010 which covers the slump caused by the Great Recession of the US economy. It is followed by 4 years in a vigorous comeback with total visitors growing by approximately one third from 242,000 in 2010 to a level exceeding 321,000 visitors in 2014. It is this growth that has underpinned the strong rise in hotel occupancy and average room rates achieved over this same period. As is usually the case, some destinations have profited during this recovery more than others.

| Estimated Overnight Visitors to regions/destinations and market shares 2006-2014 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | % | 2010 | % | 2011 | % | 2012 | % | 2013 | % | 2014 | % |
| Belmopan | 20,032 | 8.1% | 9,061 | 3.7% | 10,468 | 4.2% | 16,519 | 6.0% | 16,531 | 5.6% | 17,827 | 5.6% |
| Belize District | 60,096 | 24.3% | 77,165 | 31.9% | 71,458 | 28.6% | 87,419 | 31.5% | 73,544 | 25.0% | 51,103 | 15.9% |
| Corozal | 17,806 | 7.2% | 11,204 | 4.6% | 10,147 | 4.1% | 9,132 | 3.3% | 13,157 | 4.5% | 13,243 | 4.1% |
| Orange Walk | 19,537 | 7.9% | 14,420 | 6.0% | 10,147 | 4.1% | 15,288 | 5.5% | 13,157 | 4.5% | 14,092 | 4.4% |
| San Ignacio/Cayo | 83,343 | 33.7% | 52,320 | 21.6% | 63,233 | 25.3% | 72,952 | 26.3% | 74,219 | 25.2% | 70,288 | 21.9% |
| Dangriga/Stann Creek | 23,247 | 9.4% | 16,466 | 6.8% | 18,692 | 7.5% | 22,265 | 8.0% | 34,186 | 11.6% | 37,691 | 11.7% |
| Toledo/Punta Gorda | 9,645 | 3.9% | 7,892 | 3.3% | 9,720 | 3.9% | 10,466 | 3.8% | 12,145 | 4.1% | 10,526 | 3.3% |
| Ambergris Caye | 82,354 | 33.3% | 107,076 | 44.3% | 117,601 | 47.0% | 130,205 | 47.0% | 131,682 | 44.8% | 144,821 | 45.1% |
| Caye Caulker | 81,117 | 32.8% | 67,032 | 27.7% | 57,999 | 23.2% | 67,514 | 24.4% | 79,279 | 26.9% | 83,361 | 26.0% |
| Other Island | 12,860 | 5.2% | 14,615 | 6.0% | 17,838 | 7.1% | 20,008 | 7.2% | 17,880 | 6.1% | 19,185 | 6.0% |
| Placencia | 39,322 | 15.9% | 26,306 | 10.9% | 33,753 | 13.5% | 41,350 | 14.9% | 44,306 | 15.1% | 47,708 | 14.9% |
| DK/NS | 11,624 | - | 14,809 | 6.1% | 17,945 | 7.2% | 24,933 | 9.0% | 450 | 0.2% | 1,868 | 0.6% |
| Other | - | - | - | - | - | - | - | - | 12,370 | 4.2% | 15,959 | 5.0% |
| **Total overnight visitors** | **247,309** | | **241,919** | | **250,263** | | **277,135** | | **294,177** | | **321,220** | |
| *source: BTB* | | | | | | | | | | | | |

The following exhibit presents the annual growth rates for these same areas for the periods 2006-2014 when the national average was 3.3%. They are also shown for the shorter period 2010-2014 which corresponds to the post-recession recovery period, when the national rate jumped to 7.3%. In terms of market share, Ambergris is by far the lead destination raising its share from 33% to 45% between 2006 and 2014 when it drew 145,000 visitors. In terms of strength of their rebounds, Dangriga, Placencia and Belmopan rebounded fastest respectively at 23%, 16% and 18% during 2010-2014 (green highlights in exhibit below). It is clear that the seaside resort product is gaining momentum with the rise in the market shares of Ambergris, Dangriga and Placencia.

| ESTIMATED OVERNIGHT TOURIST VISITORS TO REGIONS/DESTINATIONS average annual growth rates | | | | | |
|---|---|---|---|---|---|
| region/ destination | 2006-2014 growth rate | comment | 2010-14 growth rate | comment | |
| Belmopan | -1.4% | losing | 18.4% | strong comeback | |
| Belize District | -2.0% | losing | -9.8% | eroding | |
| Corozal | -3.6% | losing | 4.3% | regaining share | |
| Orange Walk | -4.0% | losing | -0.6% | | |
| San Ignacio/ Cayo | -2.1% | losing | 7.7% | regaining share | |
| Dangriga/ Stann Creek | 6.2% | winner | 23.0% | booming | |
| Toledo/ Punta Gorda | 1.1% | low growth | 7.5% | regaining share | |
| Ambergris Caye | 7.3% | leader | 7.8% | winner | |
| Caye Caulker | 0.3% | no growth | 5.6% | new peak in 2014 | |
| Other Island | 5.1% | winner | 7.0% | steady performer | |
| Placencia | 2.4% | growing | 16.0% | booming | |
| Belize total | 3.3% | | 7.3% | post recession rebound | |
| source: BTB | | | | | |

The story at the level of the target destinations of this study shows a much different picture with mixed signals about growth. The Corozal, Cayo and Toledo districts are highlighted in yellow for easy reference. Corozal and Toledo have typically occupied the two last spots in the country in terms of market share, in most years falling in the range of 3%-4.6%. On the other hand the San Ignacio/Cayo region typically comes in third place after Ambergris Caye and Caye Caulker. Arrivals to Corozal and to Cayo were significantly higher back in 2006 than they have been in recent years. Only Caye Caulker and Toledo have reached new peaks, Caye Caulker reaching the 83,000 level in 2014 and Toledo breaking the 12,000 visitor level in 2013.

# Chapter 2 The Tourism Market at the Destinations

A profile of the tourism sector in each of the four destinations is provided in this chapter. The chapter focuses on various types of measurements and dimensions of tourism at each destination.

## 2.1 Tourism market in Corozal

By some measures this district is one of the weakest performing ones in Belize but there are definite signs of recovery. Its volume since 2006 has declined and it has lost resources in terms of service providers catering to tourism, to work in other destinations. There is no shore excursion activity related to cruise tourism at the present that would help bolster Corozal's local industry. It should be noted that the activity taking place in the Free Zone at the border has not been taken into consideration for this analysis as it is limited to a special status zone. An exhibit called a 'dashboard' which provides a set of various performance indicators for Corozal's tourism appears below.

| **Dashboard of indicators for Corozal Tourism** | |
|---|---|
| Indicator-arrivals | trend/comment |
| Growth rate 2006-2014 | Shrinking -3.6%; rebounding since 2010 at 4.3% pa. |
| Arrivals performance since 2006 | Falling from 17,800 to 13,200 per pressures from recession, more express bus and water taxi links from Chetumal direct to points in Belize. |
| Arrivals performance since 2010 | Regaining share with partial recovery to 13,000 from low of 9,100 in 2012. 4.3% average yearly growth in arrivals since 2010. |
| Arrivals entering Belize via Northern border Santa Elena station | Growing steadily from 22,000 in 2004 to over 32,000 in 2014 (preliminary data) as road traffic grows from Mexico. Average of 103 arrivals per day during 2014. The vast majority proceeds to inland points bypassing Corozal. |
| Average spend of $120 (VEMS) | This is a proxy since no spend data exists. (The national average spend is $162 per VEMS). Only 35% of visitors used hotel accommodation, a relatively low percentage. |
| Length of stay 4.0 days | This is the median value. Below the national average stay of 7.1. |
| *resources* | |
| Hotel capacity 2015 and performance | Has 368 rooms, 5% of national capacity. Average hotel size is 11 rooms. At $52 average room rate, 32.5% room occupancy for 2014 it has the nation's lowest revenue per available room, $19. This indicates that the bulk of the international visitors are not going to this destination. |
| Tour guides/tour operators | Corozal has 43 guides out of a total 1,481 in 2013. Many working in other districts where business is stronger. 5 tour operators are registered in Corozal. |
| Maya sites visitors 2014 | Cerros 539 and Santa Rita 409 (BTB) |
| *accessibility* | |
| Road accessibility | Santa Elena border is a 10-15" drive from Corozal town; Belize City 2 hours. International bus service is available to Chetumal and Cancun. |
| Air service | 2 airlines offer 9 flights per day to San Pedro with onward service to other points |
| Water links | There is Corozal-San Pedro service. Some runs stop at Sarteneja. Water taxis also link both Corozal and Consejo to Chetumal. |
| *Travel trade* | |

| | |
|---|---|
| TripAdvisor exposure | Extremely weak with single-digit reviews only for Santa Rita, Shipstern (versus 292 for Lamanai, higher for other attractions in Belize). |
| Role of tour operators | Minimal. On the Exit Survey no respondents visiting Corozal used tour operators. 95% booked their trips on their own. |
| Competing destinations | Ambergris Caye, Orange Walk and Lamanai |
| *Exit Survey highlights* | |
| Reasons of non-visitors for not visiting | 43% "lack of information/unaware of what it is, what is offered". 32% "not enough time to visit". |
| Reasons to visit on future trip | Its tourism services offering, value of its cultural/natural patrimony and 'it's a safe place' are the top reasons. |
| Trip to protected areas as influence for future visit | "Would a trip to the following protected areas influence you to choose Corozal for a future visit?" yes percent per protected area: Shipstern 70%, Corozal Bay Wildlife Sanctuary 74%, Santa Rita 74%, Cerro Maya 80% |
| Willingness to spend, stay | Maximum amount willing to spend total $300-400; per day $240; stay for 3-5 days. |
| Inclination to visit again and recommend | Of respondents who visited Corozal 92% would visit again, 89% would recommend it to other persons. |

## Profile of current visitors

*Current Visitor Volume, segments, LOS and spend*

The estimate for tourism to Corozal in 2014 is presented in the following table. The total count of overnight arrivals is 12,700, with a median LOS of 4.0 days (Exit Survey) and average daily spend of $120. This spend value is a finding of the 2014 VEMS since no data on actual spend is available from the Exit Survey. The average spend per trip is $480 (4.0 times $120) less than half the national average of $1,085.

**A4 BOX OF ASSUMPTIONS - SEGMENTED BASELINE FOR COROZAL**

| segment | 2014-baseline arrivals 000s | average length of stay | segment ratio | average daily spend |
|---|---|---|---|---|
| Total visitors | 12.7 | 4.0 | | |
| marine-sport fishing | 1.0 | **4.0** | **8%** | **$ 120** |
| marine-sports activities | 0.3 | **4.0** | **2%** | **$ 120** |
| marine-tourists | 2.5 | **4.0** | **20%** | **$ 120** |
| Cultural tourists | 3.8 | **4.0** | **30%** | **$ 120** |
| work, VFR & other | 5.1 | **4.0** | **40%** | **$ 120** |

*Visitor volume in recent years*

Corozal prior to the Great Recession attracted as many as 18,000 visitors but its business declined severely for various reasons through the recession reaching half that level at 9,000 in 2012. Orange Walk adjacent also exhibits a similar record of decline but one that is even more prolonged. Despite this erosion in market share, like many destinations in Belize, Corozal has of late achieved a partial rebound in arrivals which have been expanding at a rate of 4.3% since 2010, much below the 7.3% rate of growth in national arrivals but nevertheless a very positive trend. With this decline in volume coinciding with the rise of a number of other destinations in Belize, Corozal saw a number of its operators and guides relocate to other locations to do business in the destinations on the rise and to handle the booming industry of shore excursions for cruise passengers.

Another factor cited for the decline is the start of formal water taxi services directly between Chetumal and San Pedro providing travelers between Mexico and Belize's top dive destination, with a convenient direct link far simpler than the overland route that passed through Corozal.

*Segments described*

The leisure segments of tourist arrivals together make up 60% of total volume, and VFR, work and other small segments taken together as one segment make up 40% of it. The leisure segment can be subdivided. It includes cultural tourists to towns and villages at 30% plus three marine related segments namely visitors touring Corozal Bay by boat (20%), plus a small segment of sports fishermen active in the bay, and in nearby rivers and wetlands (8%) and a tiny segment of water sports enthusiasts (2%). Explanations of the types of visitors each segment includes are shown in the exhibit below.

| **Segments defined for Corozal baseline** | |
|---|---|
| Segment name | comment |
| Cultural tourists | Visitors to Corozal town and points of tourist interest around the bay to see, eat, learn and relax. Includes people attending festivities. Excludes visitors to the Free Zone. Includes limited FIT foreigners and Belizeans. |
| Marine – tourists | Visitors cruising to points around the bay and nearby protected areas like the Wildlife Sanctuary and Shipstern Reserve. (by boat; no sports activities) Birders included. |
| Marine – sport fishing | Well defined segment of fishermen using coastal areas, wetlands and rivers. |
| Marine – sports activities | Somewhat young segment pursuing snorkeling, sailing, skiing, kayaking, paddle boarding and other sports activities in the bay, lagoons and rivers. |
| Work, VFR & other | Any other non-leisure segments combined. |

The distinction between leisure visitors and educational, missionary or even health related non-leisure visitors is not a clear one since some of these groups spend some of their time in Belize touring before or after their main activity is undertaken. Their motives for travel are multiple. They also arrange their travel with assistance from their local correspondents and therefore often don't use travel agents or tour operators to organize trips. The length of stay for each of the segments shown in the A4 exhibit above was assumed to match the overall 4.0 length of stay.

The hotels and tour operators serving these segments include those based in Corozal as well as San Pedro, Orange Walk and Belize City, since distances to/from these places are relatively short both by road and by water, taking 1-2 hours travel time. For example for fly fishing a San Pedro boat operator can serve fishermen staying either in San Pedro, Sarteneja or in Corozal town for fishing at any points along the Corozal Bay or New river and return them to their lodging within the day.

## Potential demand

A derivation of potential demand for Corozal has been prepared and is shown in the following exhibit. It is based upon the tenet of the lifting of obstacles for visitors as revealed in the Exit Survey finding from question CZB-1 “Why did you not visit Corozal?” for which 129 responses were obtained. This is consistent with the well-applied concept of latent demand: a measure of potential demand that could be realized if weaknesses like product, promotion or accessibility were addressed.

Only visitors who had not visited Corozal answered this question. It figures the potential new visitors as of the baseline year with a total overnight visitor volume of 321,200. The result of this model is an increment of 11,884 potential visitors to add to the current level as a result of a program’s targeted actions that would address and lift the obstacles over time. It does not address the issue of complementarity i.e. shifted/stolen demand from other destinations versus newly generated demand. The exhibit itself provides some explanation as does a technical note in annex 1 to this report.

The potential new visitors are drawn from the leisure segments only, and would have a higher willingness to spend per day of $200 versus $112. In the international context, this estimation builds on demand already visiting Belize and does not estimate new demand from abroad that a future tourism program would stimulate (requiring a different survey/data set).

| Latent / Potential Demand for COROZAL | | | | |
|---|---|---|---|---|
| **Logical basis for this latent / potential demand estimation:** | | | | |
| The percentage of tourists "not visiting" a specific destination approximates the potential/latent demand for "visiting" the destination if the "reason for not visiting" is corrected through an investment in the range and quality of the tourism product, its accessibility and its promotion. | | | | |
| Latent Demand is the additional demand that could be realized IF better promotion existed, IF a larger product range was available at different price points, and IF the destination was made more accessible. | | | | |
| **POTENTIAL / LATENT DEMAND estimates for COROZAL** | | | | |
| Measure | | Info Source / Survey | | Quantity |
| Current level of Visitation to Corozal: | VEMS Survey data (% visit Corozal x 2014 National Arrivals) | | | 12,848 |
| Reason for NOT VISITING that could be corrected / removed by this investment program | Underlying Issue | Info Source / Survey | **Q. #** | **Percent Reported** |
| Lack of information / Unaware of what is offered | Promotion weakness | Summary frequencies / Corozol Sec. B | CZB-1 | 42.60% |
| It was not offered to me | Product & Promotion weakness | Summary frequencies / Corozol Sec. B | CZB-1 | 3.90% |
| High cost of visit | Product & Access weakness | Summary frequencies / Corozol Sec. B | CZB-1 | 0.80% |
| Cummulative "Reasons for not visiting" that could be impacted by an investment | | Calculated | | 47.30% |
| Theoretical increase in visitation if all objections were removed (as a %) | | | | 47.30% |
| (Note: Recall the logical basis for this estimation: if we remove the objections, more tourists will elect to visit this destination) | | | | |
| Potential pool of NEW LEISURE VISITORS (based on 2014 National Visitor Counts) | | (see pool calculations below) | | 237,688 |
| Realization Factor (% of the potential pool that can actually be converted to Corozol Leisure Visitors) | | | | 4.7% |
| Basis for realization factor: Strong potential for Mexican cultural/leisure from border town of Chetumal (pop. 300,000) 30" drive away. Also Mestizo wedding business at both Maya sites. Key factor is product development in Corozal town, and effectiveness of promotion in addressing the information deficit and raising Corozal's visibility. | | | | |
| Potential NEW VISITORS to Corozal as a result of product, promotion and access enhancements) | | | | 11,171 |
| **Total NEW VISTORS to Corozal (Potential plus current visitors to Corozal)** | | | | **24,019** |
| **Economic Value of NEW LEISURE VISITORS** | | | | |
| Latent Demand as a Number of New Visitors | | Calculated per above | | 11,171 |
| Average Daily Expenditure of CURRENT Visitors (Leisure Visitor only): | | 2014 VEMS (Note: Only source available) | | $ 112.00 |
| Maximum Amount Willing to Pay in Future per Day (Leisure Visitor only): | | Leisure only, MEDIAN Amount Willing to Pay (7 o | CZB-7b | $ 200.00 |
| Median Length of Stay (Leisure Visitor only): | | Leisure only, MEDIAN Length of Stay | CZ_A5_3days | 4.00 |
| NEW EXPENDITURE per Annum (at CURRENT Average Daily Expenditure Level x # of New Visitors) | | | | $ 5,004,759 |
| NEW EXPENDITURE per Annum (at WILLINGNESS to Spend in Future Level x # of New Visitors) | | | | $ 8,937,069 |
| **Conclusion: The economic gain from new visitors is estimated to fall between $5.3 and $9.5 million per annum.** | | | | |
| **Potential Pool Calculations** | | | | |
| National Visitation to Belize (2014 Base) | | BTB Stats / Government Immigration Record | | 321,200 |
| Three year Average Percentage of National Visitors who did not go to Corozal | | BTB Stats / Government Immigration Record | | 96.00% |
| Three year Average Percentage of National Visitors who did go to Corozal | | BTB Stats / Government Immigration Record | | 4.00% |
| Current level of Visitation to Corozal: | | | | 12,848 |
| Less the Three Year Average Percentage of Non-leisure Travellers | | | | |
| | Less Friends and Relatives Travel | BTB Statistics Digest | | -17.10% |
| | Less Business Travel | BTB Statistics Digest | | -4.20% |
| | Less Official Travel | BTB Statistics Digest | | -0.70% |
| Less the Three Year Average Percentage of Non-leisure Travellers | | Calculated | | -22.00% |
| Three year Average Percentage of National LEISURE VISITORS who did not go to Corozal | | | | 74.00% |
| Total Visitors who did not go to Corozal (which equals the Potential Pool of NEW LEISURE VISITORS to Corozal) | | | | 237,688 |

## Expenditure patterns

The average expenditure per trip is estimated to equal $480 much below the national average spend per trip of $1,085 ($162.10 X 6.7 days). Per the Exit survey usage of hotels by visitors to Corozal is low at only 35%. In addition 95% of respondents booked their trips on their own without using tour operators or travel agents.

### Current Image & Positioning

The current image and positioning of Corozal is perhaps the weakest of any destination in Belize. Visitors do not rely on the travel trade to arrange their trips which suggests that they rely on recommendations of local friends and relatives and websites they trust to plan their trips etc. There is evidence of high visitor satisfaction and a positive image for Corozal in that 92% of visitors declared per the Exit Survey an inclination to return to Corozal on a next trip, and 89% an inclination to recommend it as a destination to other persons.

As for Corozal's image in the travel media, the scant visibility of Corozal on the prominent TripAdvisor reviews website is also a symptom that its attractions are drawing minimal comment or acknowledgement from travelers. The Maya site of Santa Rita got only 5 posted reviews as did Shipstern Reserve, evidence of minimal awareness in the travel marketplace; the site of Lamanai has 292 reviews and Altun Ha 360. On the Tour operator survey for this study, operators cited lack of market knowledge (along with high hotel prices) as an impediment for Corozal. Its image in the international marketplace is largely non-existent.

### Existing Costs and Willingness to pay

For tourists visiting Corozal, the Exit Survey found a maximum willingness to spend (median value) at the improved destination of $50 per day including all segments of respondents. For only the segment of leisure tourists the median value for respondents not visiting Corozal, was a much higher $200 per day.

Per the Exit Survey, when non-visitors to Corozal were asked about the maximum amount of time they would be willing to stay in the improved destination, the median response was 4 nights. As regards expenditure, it is relevant that with respect to Belize's hotel industry Corozal's hotels achieved a $52 average daily rate, one of the lowest in the country, and yield (RevPAR) of $19, the lowest in the country. As for tour package pricing, only one respondent (out of 62) visited on a travel package which indicates the scarcity of such packages featuring stops in Corozal. It's apparent that the package tour industry is not operating in Corozal.

## 2.2 Tourism market in Cayo

Cayo district has been known as a destination for some years, being perhaps the first inland area to develop tourism where there is no coastline. Its tourist volume has declined somewhat since 2006 when it received 83,000 visitors, a 34% market capture that year. In 2014 it drew 70,000 visitors a smaller 22% share while Ambergris consolidated its 45% share with 145,000 visitors. It appears that all the growth in arrivals that Belize has achieved over the 2006-2014 has gone primarily to Ambergris plus Dangriga and Placencia, all waterside destinations. However like a number of other destinations Cayo has been able to regain some market share and it averaged 7.7% yearly growth in the post-recession era of 2010-2014. With this lackluster record it appears that the advantage of being just a 3 hours' drive to Guatemala's star cultural attraction, the archeological site of Tikal, has not been able to bolster its arrivals.

A set of indicators of Cayo's recent performance as a destination is provided in the following exhibit. It is divided into sections about arrivals statistics, about resources, accessibility, travel trade, and ends with some highlights from the Exit Survey.

| **Dashboard of indicators for Cayo** | |
|---|---|
| Indicator-arrivals | Comment/trend |
| Growth rate 2006-2014 | Declining by -2.1% pa; since 2010 rebounding at 7.7% pa. |
| Arrivals performance since 2006 | Falling from 83,000 to 70,000 in 2014 in an up and down pattern. Its market share has fallen from 33% in 2006 to 22% in 2014. |
| Arrivals performance since 2010 | Robust rebound peaking in 2013 at 74,000 but slipping 5% in 2014 to 70,300. |
| Arrivals from Guatemala by road via the Western Border Station | Since 2011 fluctuating around the 28,000 level. This is the only highway border point with Guatemala. An average of 91 tourists per day entered Belize at this station in 2014. |
| Average spend of $144 per person per day | From BTB VEMS. The national average spend is $164 (per VEMS). 78% of visitors used hotel accommodation (national average of 71% - VEMS 2013). |
| Length of stay 6.7 days | Same as the national average stay of 6.7 days *in Belize* (VEMS 2014). |
| *resources* | |
| Hotel capacity 2015 and performance | Has 1,144 rooms, 15% of national capacity. Average hotel size is 9 rooms. Achieved a $110 average room rate, 43.2% room occupancy for 2014 (compared to $141 and 47% national averages). |
| Tour guides/tour operators | Cayo has 339 guides out of a total 1,481 in 2013. 38 tour operators are registered in this district (of total 209). |
| paid visitors to Maya sites 2014 | Caves Branch 59,800 (+88,690 cruise), Xunantunich 37,200 (+20,000) ATM 17,000 Cahal Pech 15,000 (+1,600) Caracol 6,500 |
| *accessibility* | |
| Road accessibility | From Belize City approximately 2 hour drive to San Ignacio over the paved Western Highway. The Guatemalan border at Benque Viejo is 2.5 hours approximately from Belize City, 20-25 minutes from San Ignacio. |
| Air service | 1 airline runs 4 multi-stop flights per day between San Pedro, Belize City and Maya Flats airport near San Ignacio. |
| Bus and taxi services | There is high frequency bus service to/from Belize city and most other parts of the country. There is public service to Flores in Guatemala near Tikal. |
| *Travel trade* | |
| TripAdvisor exposure | Good, with 63 attractions and businesses reviewed. Top 5 places reviewed (339-596 reviews each) include 4 Maya sites plus an iguana conservation project. |
| Role of tour operators | Minor. On the Exit Survey 11% (16 respondents) visiting Cayo used tour operators. 75% of respondents organized their travel 'on my own'. |
| Competing destinations | Ambergris, Placencia, Guatemala, Costa Rica (per Tour Operator Survey) |
| *Exit Survey highlights* | |
| Reasons for not visiting Cayo | 42% for *lack of information/unaware of what it is, what is offered*. 34% |

| | |
|---|---|
| on this trip | for *not enough time to visit*. 16% for *I am aware, but am not interested*. (non-visitors responding) |
| Reasons to visit on a future trip | *Value of its cultural and/or natural patrimony* and *Its tourism services offering* were the only strong responses on reasons to visit on a future trip. (non-visitors responding) |
| **Maya sites** as influence for a future visit | "Would a trip to the following archeological sites influence you to choose Cayo for a future visit?" yes response rates per each of 5 sites fell in the range 81%-86% with Xunantunich, Cahal Pech and Caracol as top ranked. (non-visitors responding) |
| **Protected areas** as influence for a future visit | "Would a trip to the following protected areas influence you to choose Cayo for a future visit?" yes response rates per each of 9 protected areas fell in the range 67%-80% with Blue Hole NP and 1000 Foot falls the 2 top ranked. (non-visitors responding) |
| **Activities** most influential for a future visit | *Enjoying the cuisine* and *discovering local history* are the most influential of 7 activities; *horseback riding* and *bird-watching* being the least. Range is 32%-96%. (non-visitors responding) |
| Willingness to spend, length of stay | Max. amount willing to spend total $200 per day, for 3 nights. (non-visitors responding, leisure segment only) |
| Inclination to visit again and recommend | Of respondents who visited Cayo 87% would visit again, and 99% would recommend it to other persons. (visitors responding) |

## Profile of Current visitors

*Current Visitor Volumes, segments*

The estimate for total stayover arrivals to Cayo in 2014 is presented in the following table, divided into 5 segments. The total estimate of overnight arrivals is 78,600, with an average LOS of 6.7 days and average daily spend of $144. This profile has been formulated on the basis of BTB statistics and the findings of the Exit Survey.

**A6 BOX OF ASSUMPTIONS - SEGMENTED BASELINE FOR CAYO**

| segment | 2014-baseline arrivals 000s | average length of stay | segment ratio | average daily spend |
|---|---|---|---|---|
| Total visitors | 78.6 | 6.7 | | |
| Cultural tourists | 31.5 | 6.2 | 40% | $ 144 |
| Ecotourists | 15.7 | 6.2 | 20% | $ 144 |
| Soft adventure | 15.7 | 6.2 | 20% | $ 144 |
| Hard adventure | 3.9 | 6.2 | 5% | $ 144 |
| work, VFR & other | 11.8 | 9.0 | 15% | $ 144 |

*Segments described*

A somewhat different segmentation has been formulated for this destination. The leisure segments of total arrivals taken together make up 85% of total demand. The balance including VFR, work and other small segments taken together as one segment, make up 15% of it. The leisure segment can be subdivided along tastes and activities preferred. It includes cultural tourists to archeological sites, villages and other points of interest who as a group make up 40% of the demand, the largest segment with 31,500 visitors. The second group is that of visitors most interested in flora, fauna and natural attractions, for whom the term ecotourists is used. It is estimated at 20% or 15,700 persons.

The final two leisure segments are called soft adventure and hard adventure, being differentiated by the level of skill and risk associated with the activities they pursue[3]. The soft adventure visitors are estimated at 20% while hard adventure enthusiasts are assigned a 5% share. Capsule explanations of the activities of each of these segments are provided in the exhibit below.

| Segments defined for Cayo baseline | |
|---|---|
| Segment name | comment |
| Cultural tourists | Visitors to museums, parks, archeological sites and zoos; villages & local cultures, participating in festivals, cultural exchanges and themed events. Includes visitors of all ages. |
| Ecotourists/nature-based tourists | Sightseeing in forests, rivers, waterfalls, caverns etc. Seeing fauna: birds, jaguars, iguanas, baboons & other exotic wildlife. Seeing flora: orchids & tropical plants, forests, mahogany. Includes photographers, researchers. |
| Soft adventure | Activities involving a low level of exertion and risk: hiking, horseback riding, sport fishing, cave tubing, zip lining, canoe/kayaking and similar. Low skill level needed to partake in these activities. |
| Hard adventure | Activities involving a higher level of exertion, skill and risk: all-terrain vehicle use, mountain biking, overland trekking, spelunking, rock/cliff/mountain climbing, aerial sports like hang gliding or delta wing. Certification is available for some of these activities. |
| Work, VFR & other | Any other non-leisure segments combined. |

This segmentation resembles somewhat that defined for Toledo having strong interests in the natural environment and cultural attractions. However with price levels in Cayo being significantly higher than those in Toledo, the spend in Cayo is much higher than that in Toledo or Corozal, approximating the national average spend indicators. The leisure share of demand is dominant in Cayo at 85% and some 11% of Exit Survey respondents who had visited Cayo had relied on tour operators to organize their trips, versus nil for those visiting Toledo and Corozal. Nevertheless the 'do it yourself' method is dominant as well with these tourists to Cayo.

### Tourism at Caracol archeological park

Caracol admitted 6,472 tourists in 2014 (6,761 if Belizeans are included) which is equal to about 9% of the total visitors to Cayo for that year. This equates to 17 visitors per day, which equals a mere 2 minivans per day. The success of Xunantunich (in 2014 logging 37,000 tourists plus 20,000 cruise passengers) is in part due to its beauty, and to a large extent due to its excellent accessibility by auto or

[3] The publication *Adventure Tourism Market Report* by George Washington University School of Business, August 2010, contains relevant content about adventure travel segments. http://www.adventuretravel.biz/wp-content/uploads/2010/09/adventure_travel_market082610.pdf

motor coach via the paved Western Highway, an observation tour operators readily make. This contrast symbolizes how crippled Caracol currently is as an attraction because of its accessibility situation via an unpaved road. The only activity possible there is to tour the archeological site, its visitors center at the entrance and then await the return escort convoy which departs midafternoon. Late afternoon or evening activities are not possible per the demands of the current escort system. Additional nature walks to explore the flora and fauna of the surrounding forest are discouraged. Events held late afternoon or at night are not usually possible. So the site's performance as an attraction is quite restricted. Because of the long travel time from Belize City, no cruise excursions are usually operated to Caracol.

### Tourism in Chiquibul forest

This forest is not outfitted with the infrastructure to receive visitors except those on various educational research missions who are housed at the Las Cuevas station a few miles inland from the Tapir base at the forest's entrance. Therefore recreational activities are very limited, and research teams represent the main visitors. As regards Caracol, the Chiquibul Road is the only public route to reach Caracol so all traffic headed to Caracol whether visitors, staff and security agents must cross Chiquibul going and returning on this same road. Heavily loaded logging trucks rely on this road and so do military contingents from Belize, the UK and other countries undertaking jungle training. Consequently as a tourist attraction at present Chiquibul Forest and National Park see very little activity and remain virtually untapped. The flow of cultural tourists to Caracol crosses the forest without stopping[4].

### Tourism in Mountain Pine Ridge Forest Reserve (MPR)

MPR is a scenic 'theater' or platform offering a range of activities meeting the recreational needs of Belizeans on holidays, weekends and during vacation months. In the two past years it attracted 47,000 visitors in each year, two thirds of whom are Belizeans[5]. The count of 15,000 foreign visitors includes the entire flow of visitors to Caracol, so a net amount of foreign visitors is approximately 8,000 foreign visitors to MPR. Because of the long driving time from Belize City, cruise ships are not regularly sending passengers on excursions to this reserve.

MPR is ideal for ecotourists and soft adventure enthusiasts. It has waterfalls, roaring creeks, caves, some trails, some spots with panoramas and plenty of pine forest. Hence it offers a range of activities such as hiking, camping, swimming in creeks, caving, horseback riding, picnicking, and even mountain biking which Mennonites enthusiasts enjoy along the Brunton Trail. Since all the roads and tracks are unpaved, activity in the rainy season is limited to points where roads are passible enough and where the creeks are not dangerously overflowing. Camping is available but relatively few visitors overnight in the reserve.

[4] This road crosses both the Chiquibul National Park and the Chiquibul Forest Reserve, located in the center of the park. Chiquibul forest covers both the park and the reserve.

[5] Per MPR management email providing recently compiled statistics.

*Role of Commercial lodging inside MPR*

Of major importance for international tourism is the deep forest nature experience provided by three upscale lodges, Blancaneaux, Gaia and Hidden Valley, with a total of 48 rooms. They cater to ecotourists seeking a high end very well-orchestrated nature-oriented experience, often structured as the ‘ridge to reef’ combo pairing MPR with a stint of diving on the islands or on the coast. This market represents approximately 3,100 visitors, some even arriving by private aircraft (2 lodges have private airstrips). Package prices can cost as much as $300-400 per day per person, with cheaper prices available May to November. Most if not all of these visitors will visit Caracol as well. One of them, the Hidden Valley Lodge is located in its own 7,000 acre private reserve which is not open to the public. These lodges have relationships with seaside ones in order to insure consistent high quality service throughout and arrange smooth transfers between the two locations. US and Canadian travelers will consider these lodges as subtropical equivalents to the ones found inside the national parks in those countries.

*MPR relationship with Chiquibul-Caracol*

MPR also has a functional relationship with Caracol. Chiquibul Road runs south from San Antonio village, crossing Elijio Panti National Park and MPR first, then Chiquibul forest, and ends in the archeological zone of Caracol. So like Chiquibul forest, MPR is also crossed by all visitors en route to Caracol. Because of security risks in the vicinity a few years ago the authorities set up the above-mentioned system of escorted convoys for tourist vehicles. They form the convoys at a designated holding area clearly marked at the D’Silva station located at Augustine, the name for MPR’s core service village. These convoys depart at two times each day, to safely lead any vehicles headed to Caracol for the day. As such MPR at its Augustine village serves as gateway not only for users of its own attractions, but also for all persons destined for the Chiquibul forest and for Caracol. Chiquibul Road is the sole road link for these three zones, and is mostly unpaved, at times becoming impassible for most vehicles during rainy season when the water level in the creeks can rise cutting off normal road access to these areas.

## Potential demand

A derivation of potential demand for touring in Cayo has been prepared and is shown in the following exhibit. It is based upon the tenet of the lifting of obstacles for visitors as revealed in the Exit Survey finding from question SIB-1 “Why did you not visit Cayo?” for which 109 responses were obtained**.** This approach is consistent with the well-applied concept of latent demand: a measure of potential demand that could be realized if weaknesses like product, promotion or accessibility were addressed.

Only visitors who had not visited Cayo answered this question. It figures the potential new visitors as of the baseline year with a total overnight visitor volume of 321,200. The result of this model is an increment of 7,905 additional visitors to add to the current level as a result of a future program’s targeted actions that would address and lift the obstacles over time. It does not address the issue of complementarity i.e. shifted/stolen demand from other destinations versus newly generated demand. The exhibit itself provides some explanation as does a technical note in annex 1 to this document.

The potential new visitors are drawn from the leisure segments only, and have a higher willingness to spend per day of $200 versus $145. In the international context, this estimation builds on demand already visiting Belize and does not estimate incremental demand from abroad that a future tourism program would stimulate (requiring a different survey/data set).

| **Latent / Potential Demand for San Ignacio Cayo** | | | | |
|---|---|---|---|---|
| **Logical basis for this latent / potential demand estimation:** | | | | |
| The percentage of tourists "not visiting" a specific destination approximates the potential/latent demand for "visiting" the destination if the "reason for not visiting" is corrected through an investment in the range and quality of the tourism product, its accessibility and its promotion. | | | | |
| Latent Demand is the additional demand that could be realized IF better promotion existed, IF a larger product range was available at different price points, and IF the destination was made more accessible. | | | | |
| **POTENTIAL / LATENT DEMAND estimates for the Destination** | | | | |
| Measure | | Info Source / Survey | | Quantity |
| Current level of Visitation to S.I. Cayo | VEMS Survey data (% visit S.I. Cayo x 2014 National Arrivals) | | | 78,600 |
| Reason for NOT VISITING that could be corrected / removed by this investment program | Underlying Issue | Info Source / Survey | **Q. #** | **Percent Reported** |
| (b) Lack of information / Unaware of what is offere | Promotion weakness | Summary frequencies / S.I. Cayo Sec. B | SIB-1 | 42.20% |
| (c) It was not offered to me | Product & Promotion weakness | Summary frequencies / S.I. Cayo Sec. B | SIB-1 | 3.70% |
| (e) High cost of visit | Product & Access weakness | Summary frequencies / S.I. Cayo Sec. B | SIB-1 | 0.90% |
| Cummulative "Reasons for not visiting" that could be impacted by an investment | | Calculated | | 46.80% |
| Theoretical increase in visitation if all objections were removed (as a %) | | | | 46.80% |
| (Note: Recall the logical basis for this estimation: if we remove the objections, more tourists will elect to visit this destination) | | | | |
| Potential pool of NEW LEISURE VISITORS (based on 2014 National Visitor Counts) | | (see pool calculations below) | | 171,842 |
| Realization Factor (% of the potential pool that can actually be converted to S.I. Cayo Leisure Visitors) | | | | 4.6% |
| Basis for realization factor: Caracol as landmark Maya attraction will draw Maya Trail cultural travelers arriving from GUA/MEX. The future Kabal Mesoamerican Cavern Gateway and other attractions in Chiquibul and MPR will generate new visitors. | | | | |
| Potential NEW VISITORS to S.I. Cayo as a result of product, promotion and access enhancements) | | | | 7,905 |
| **Total NEW VISTORS to S.I. Cayo (Potential plus Current Visitors)** | | | | **86,505** |
| **Economic Value of NEW LEISURE VISITORS** | | | | |
| Latent Demand as a Number of New Visitors | | Calculated per above | | 7,905 |
| Average Daily Expenditure of CURRENT Visitors (Leisure Visitor only): | | 2014 VEMS (Note: Only source available) | | $ 145.18 |
| Maximum Amount Willing to Pay in Future per Day (Leisure Visitor only): | | Leisure only, MEDIAN Amount Willing to Pay | SIB-8b | $ 200.00 |
| Median Length of Stay (Leisure Visitor only): | | Leisure only, MEDIAN Length of Stay | SI_A5_5days | 3.00 |
| NEW EXPENDITURE per Annum (at CURRENT Average Daily Expenditure Level x # of New Visitors) | | | (x) | $ 3,442,827 |
| NEW EXPENDITURE per Annum (at WILLINGNESS to Spend in Future Level x # of New Visitors) | | | (y) | $ 4,742,839 |
| **Conclusion: The economic gain from new visitors is estimated to fall between $3.4 million and $4.7 million per annum.** | | | | |
| **Potential Pool Calculations** | | | | |
| National Visitation to Belize (2014 Base) | | BTB Stats / Government Immigration Record | | 321,200 |
| Three year Average Percentage of National Visitors who did not go to Cayo | | BTB Stats / Government Immigration Record | | 75.50% |
| Three year Average Percentage of National Visitors who did go to Cayo | | BTB Stats / Government Immigration Record | | 24.50% |
| Current level of Visitation to Cayo: | | | | 78,694 |
| Less the Three Year Average Percentage of Non-leisure Travellers | | | | |
| | Less Friends and Relatives Travel | BTB Statistics Digest | | -17.10% |
| | Less Business Travel | BTB Statistics Digest | | -4.20% |
| | Less Official Travel | BTB Statistics Digest | | -0.70% |
| Less the Three Year Average Percentage of Non-leisure Travellers | | Calculated | | -22.00% |
| Three year Average Percentage of National LEISURE VISITORS who did not go to Cayo | | | | 53.50% |
| Total Visitors who did not go to Cayo (which equals the Potential Pool of NEW LEISURE VISITORS to Cayo) | | | | 171,842 |

### Current Image & Positioning

The Chiquibul – Caracol area is not a distinct destination in itself with an image but rather comes under the San Ignacio/Cayo banner as an area with a variety of nature-based attractions, and most particularly with the ancient Maya metropolis of Caracol. From the perspective of international tourism a few observations follow.

- Caracol is underutilized since it receives only 6,700 visitors while MPR receives 47,000 including Belizeans and foreigners. This site is one of Belize's top attractions for cultural tourism. The poor road condition and road escort system are deterrents.
- MPR functions as a very popular recreational area for Belizeans who account for over 30,000 of the visitor total.
- An estimated 3,000 foreigners last year stayed in the 3 upscale lodges located inside MPR seeking the soft and hard adventure experience deep in the tropical forest.
- The Chiquibul forest has so few facilities that it does not function as a destination at present.

As such Chiquibul-Caracol serves two publics, Belizeans mainly for recreational purposes, at the various attractions located in MPR, and that of foreign tourists, overnight visitors who visit Caracol. Some of these use lodging located inside MPR. In view of visitor responses on the Exit Survey, tour operator comments and in view of these statistics, the image of the area is quite positive.

### Existing Costs and Willingness to pay

The current average spend is estimated at $145 per day and LOS at 6.7 days producing an average trip spend of $965, not far below the national average trip expenditure. The willingness to pay at the improved destination is $200 per day (per the Exit Survey), as opposed to the $145 level estimated for the current level of spending, for leisure segment visitors to Cayo. The median time willing to stay is 3 days.

## 2.3 Tourism market in Toledo

Toledo along with Corozal has consistently secured the smallest share of stayover tourists for some years, usually falling in the 3-4% range, which is not surprising given its semi enclave status having access from the rest of the country solely via one route, the Southern Highway, and no formal road into Guatemala. Being a four hour drive from Belize City, it is the most remote part of the country which is a factor adding to its rural charm. The indicators in the exhibit below indicate an estimated arrivals level of 10,500 tourists in 2014, a very low hotel occupancy rate and average room rate, and a low average spend per day. But it also indicates a growing pattern of visitor arrivals with occasional down years, averaging 1.1% growth since 2006. Toledo is on the fringe of the sphere of influence of Placencia which, together with the Dangriga area, is undergoing a building boom making it into a Caribbean resort destination that is also including the cruise industry. The dashboard of indicators appears below.

| Dashboard of indicators for Toledo | |
|---|---|
| Indicator-arrivals | Comment/trend |
| Growth rate 2006-2014 | Growing 1.1%; rebounding since 2010 at 7.5% pa. |
| Arrivals performance since 2006 | Rose from 9,600 to 10,500 in 2014 with declines in some years producing an Irregular record of growth. |
| Arrivals performance since 2010 | Robust growth peaking in 2013 at 12,100 but slipping 13% in 2014 to 10,500. |
| Arrivals via water taxis to Punta Gorda from Puerto Barrios, Livingston in Guatemala | Slipping from 7,600 in 2011 to 6,200 in 2014. Average of 17 tourist arrivals per day during 2014. This is a favored entry route by Belizeans and Guatemalan workers and traders traveling between the 2 countries. |
| Average spend of $152 person per day | Just below the national average spend of $164 ( both values per VEMS). Only 54% of visitors used hotel accommodation, a relatively low percentage. |
| Length of stay 4 days | From Exit Survey (median) Below the national average stay of 7.1. |
| *resources* | |
| Hotel capacity 2015 and performance | Has 323 rooms, 4.4% of national capacity. Average hotel size is 8 rooms. At $86 average room rate, 30.1% room occupancy for 2014 it has the nation's 2nd lowest revenue per available room, $36. This indicates that Toledo attracts mainly lower spending international visitors. |
| Tour guides/tour operators | Toledo has 61 guides out of a total 1,481 in 2013. Many working in other districts where demand is stronger. 13 tour operators are registered in this district. |
| paid visitors to Maya sites 2014 | Lubaantun 4,078 and Nim Li Punit 4,684 (BTB) with 0 cruise passengers reported |
| *accessibility* | |
| Road accessibility | From Belize City approximately 4 hour drive over the paved Southern Highway. The Guatemalan border near Jalacte can be reached from Punta Gorda in 60-75 minutes. |
| Air service | 2 airlines offer 9 multi-stop flights per day from Belize to Punta Gorda. |
| Water taxi services | There are regular water taxis to Barranco, Livingston and Puerto Barrios. |
| *Travel trade* | |
| TripAdvisor exposure | Extremely weak with Lubaantun's 35 reviews taking 1st place and Nim Li Punit's 27 being in 2nd place. |
| Role of tour operators | Minimal. On the Exit Survey 2 respondents (4%) visiting Toledo used tour operators. 94% of respondents organized their travel themselves. |
| Competing destinations | Cayo, Costa Rica and Placencia (per Tour Operator Survey) |
| *Exit Survey highlights* | |
| Reasons for not visiting on this trip | 46% for *lack of information/unaware of what it is, what is offered*. 28% for *not enough time to visit*. 16% for *I am aware, am not interested*. (non-visitors responding) |
| Reasons to visit on a future trip | *Its tourism services offering* was the only strong response as to a visit on a future trip. (non-visitors responding) |
| Trip to protected areas as influence for a future visit | "Would a trip to the following protected areas influence you to choose Toledo for a future visit?" yes response rates per each of 10 protected areas fell in the range 72%-81% with the Port Honduras Marine Reserve |

| | |
|---|---|
| | getting the top percent. (non-visitors responding) |
| Activities most influential for a future visit | *Enjoying the cuisine* and *discovering local history* are the most influential of 5 activities; *historical presentations* and *bird-watching* being the least. Range is 91%-38%, |
| Willingness to spend, length of stay | Max. amount willing to spend by leisure respondents, $150 per day, for 4 nights. (non-visitors responding) |
| Inclination to visit again and recommend | Of respondents who visited Toledo 90% would visit again, and 90% would recommend it to other persons. |

## Profile of Current visitors

*Visitor volume in recent years*

The arrivals level for Toledo has fluctuated between 7,900 and 10,500 per year since 2006. It hit its peak in 2013 at 12,100 during the post-Recession recovery period when it was regaining its share at a 7.5% rate of growth, slightly higher than the 7.3% national average. Toledo like Corozal has a record of being a low growth destination for overnight arrivals, with its average growth over 2006-2014 being 1.1%, a third of the national rate of 3.3%.

*Current Visitor Volumes (segments, LOS, spend)*

The estimate for total stayover arrivals to Toledo for the baseline is presented in the following table, divided into 5 segments. For the baseline year a market capture of 3.7%, the average of the past 3 years, has been adopted, resulting in total arrivals of 12,000. The total estimate of overnight arrivals is 12,000, with an average LOS of 4 days (Exit Survey) and average daily spend of $152 (VEMS).

| A5 BOX OF ASSUMPTIONS - SEGMENTED BASELINE FOR TOLEDO | | | | |
|---|---|---|---|---|
| segment | 2014-baseline arrivals 000s | average length of stay | segment ratio | average daily spend |
| Total visitors | 12.0 | 4.0 | | |
| Cultural tourists | 2.4 | **4.0** | **20%** | **$ 152** |
| Inland explorers-soft adventure | 2.4 | **4.0** | **20%** | **$ 152** |
| marine-divers & sport fishermen | 1.2 | **4.0** | **10%** | **$ 152** |
| marine-sports lovers | 1.2 | **4.0** | **10%** | **$ 152** |
| work, VFR & other | 4.8 | **4.0** | **40%** | **$ 152** |

As was the case in Corozal, the leisure segments of tourist arrivals taken together make up 60% of total volume. The balance including VFR, work and other small segments taken together as one segment make up 40% of it. The leisure segment can be subdivided. It includes cultural tourists to towns and villages at 20% plus a very different segment of sports-minded soft adventure seeking 'inland explorers' making use of Toledo's natural areas for another 20%. These both are estimated at 4,800 persons. In addition two smaller segments include divers and sports fishermen on the one hand and enthusiasts of marine sports, here labeled 'marine sports lovers'. These segments are estimated at 10% each or 1,200 persons. Brief explanations of the types of visitors each segment includes are shown in the exhibit below.

| Segments defined for Toledo baseline | |
|---|---|
| Segment name | comment |
| Cultural tourists | Visitors to Punta Gorda, Barranco and Maya villages, archeological sites and points of cultural interest in the district portraying the Garifuna, Maya, Creole, and East Indian cultures. Includes people attending festivities like the Cacao Festival. |
| Inland explorers | Includes hikers, cavers, zipliners, birders, soft adventure seekers visiting Toledo's many protected areas. |
| Marine – divers, sport fishermen | Well defined segment of divers visiting the reef and fishermen using coastal areas, wetlands and rivers. |
| Marine – sports lovers | The sports-minded segment pursuing snorkeling, sailing, skiing, kayaking, paddle boarding and other sports activities in the sea, lagoons and rivers. |
| Work, VFR & other | Any other non-leisure segments combined. |

Since Toledo has become somewhat known as a focal area of activity for NGOs, it is probable that a fairly large share of the cultural tourists, inland explorers and marine sports lovers, is made up of such persons enjoying themselves before or after their main trip duties. Although a relatively price-sensitive market, this is nevertheless a good market for Toledo to continue to target. An additional market is that of university researchers coming for specific projects but also taking time to do some touring.

## Potential demand

A derivation of potential demand for touring in Toledo has been prepared and is shown in the following exhibit. It is based upon the tenet of the lifting of obstacles for visitors as revealed in the Exit Survey finding from question TOB-1 "Why did you not visit Toledo/Punta Gorda?" for which 123 responses were obtained. This approach is consistent with the well-applied concept of latent demand: a measure of potential demand that could be realized if weaknesses like product, promotion or accessibility were addressed.

Only visitors who had not visited Toledo answered this question. It figures the potential new visitors as of the baseline year with a total overnight visitor volume of 321,200. The result of this model is an increment of 9,546 additional visitors to add to the current level as a result of a future program's targeted actions that would address and lift the obstacles over time. It does not address the issue of complementarity i.e. shifted/stolen demand from other destinations versus newly generated demand. The exhibit itself provides some explanation as does a technical note in annex 1 to this document.

The potential new visitors are drawn from the leisure segments only, and would have a willingness to spend per day of $150 versus $159. In the international context, this estimation builds on demand already visiting Belize and does not estimate incremental demand from abroad that a future tourism program would stimulate (requiring a different survey/data set).

| | | | | |
|---|---|---|---|---|
| **Latent / Potential Demand for TOLEDO** | | | | |
| **Logical basis for this latent / potential demand estimation:** | | | | |
| The percentage of tourists "not visiting" a specific destination approximates the potential/latent demand for "visiting" the destination if the "reason for not visiting" is corrected through an investment in the range and quality of the tourism product, its accessibility and its promotion. | | | | |
| Latent Demand is the additional demand that could be realized IF better promotion existed, IF a larger product range was available at different price points, and IF the destination was made more accessible. | | | | |
| **POTENTIAL / LATENT DEMAND estimates for the Destination** | | | | |
| Measure | | Info Source / Survey | | Quantity |
| Current level of Visitation to Toledo | VEMS Survey data (% visit Toledo x 2014 National Arrivals) | | | 12,000 |
| **Reason for NOT VISITING that could be corrected / removed by this investment program** | Underlying Issue | Info Source / Survey | **Q. #** | **Percent Reported** |
| Lack of information / Unaware of what is offered | Promotion weakness | Summary frequencies / Toledo Sec. B | TOB-1 | 45.50% |
| It was not offered to me | Product & Promotion weakness | Summary frequencies / Toledo Sec. B | TOB-1 | 2.40% |
| High cost of visit | Product & Access weakness | Summary frequencies / Toledo Sec. B | TOB-1 | 1.60% |
| Cumulative "Reasons for not visiting" that could be impacted by an investment | | Calculated | | 49.50% |
| Theorectical increase in visitation if all objections were removed (as a %) | | | | 49.50% |
| (Note: Recall the logical basis for this estimation: if we remove the objections, more tourists will elect to visit this destination) | | | | |
| Potential pool of NEW LEISURE VISITORS (based on 2014 National Visitor Counts) | | (see pool calculations below) | | 238,652 |
| Realization Factor (% of the potential pool that can actually be converted to Toledo Leisure Visitors) | | | | 4.0% |
| Basis for realization factor: Speed of completion of STP II; strength of the promotional strategy; completion of highway to Guatemala's Peten highway. | | | | |
| Potential NEW VISITORS to Toledo as a result of product, promotion and access enhancements) | | | | 9,546 |
| **Total NEW VISTORS to Toledo (Potential plus Current Visitors)** | | | | **21,546** |
| **Economic Value of NEW LEISURE VISITORS** | | | | |
| Latent Demand as a Number of New Visitors | | Calculated per above | | 9,546 |
| Average Daily Expenditure of CURRENT Visitors (Leisure Visitor only): | | 2014 VEMS (Note: Only source available) | | $ 159.25 |
| Maximum Amount Willing to Pay in Future per Day (Leisure Visitor only): | | Leisure only, MEDIAN Amount Willing to Pay | TOB-8b | $ 150.00 |
| Median Maximum Time Willing to Stay (Leisure Visitor only): | | Leisure only, MEDIAN Length of Stay | TOB_9 | 4.00 |
| NEW EXPENDITURE per Annum (at CURRENT Average Daily Expenditure Level x # of New Visitors) | | | | $ 6,080,843 |
| NEW EXPENDITURE per Annum (at WILLINGNESS to Spend in Future Level x # of New Visitors) | | | | $ 5,727,638 |
| **Conclusion: The economic gain from new visitors is estimated to fall between $5.7 million and $6.1 million.** | | | | |
| **Potential Pool Calculations** | | | | |
| National Visitation to Belize (2014 Base) | | BTB Stats / Government Immigration Record | | 321,200 |
| Three year Average Percentage of National Visitors who did not go to Toledo | | BTB Stats / Government Immigration Record | | 96.30% |
| Three year Average Percentage of National Visitors who did go to Toledo | | BTB Stats / Government Immigration Record | | 3.70% |
| Current level of Visitation to Toledo | | | | 11,884 |
| Less the Three Year Average Percentage of Non-leisure Travellers | | | | |
| | Less Friends and Relatives Travel | BTB Statistics Digest | | -17.10% |
| | Less Business Travel | BTB Statistics Digest | | -4.20% |
| | Less Official Travel | BTB Statistics Digest | | -0.70% |
| Less the Three Year Average Percentage of Non-leisure Travellers | | Calculated | | -22.00% |
| Three year Average Percentage of National LEISURE VISITORS who did not go to Toledo | | | | 74.30% |
| Total Visitors who did not go to Toledo (which equals the Potential Pool of NEW LEISURE VISITORS to Toledo) | | | | 238,652 |

### Expenditure patterns

With an average spend per day of $152 and LOS of 4 the average spend per trip is $608, a value over half the $1,095 national average. Only 54% of visitors opt for hotel accommodation, a relatively low average, consistent with a relatively low leisure visitor segment of 60%. Price levels in Toledo appear to be among the lowest in Belize with the ADR for its hotels of $86 for 2014 versus a national ADR of $141. Visitors to Toledo tend to organize their trips themselves (94%) making little use of travel agencies or package tour operators.

### Current Image & Positioning

As was the case for Corozal, Toledo's current image vis a vis the travel trade is very weak per the lack of responses by foreign tour operators to the tour operator survey, the lack of visibility of its attractions on the TripAdvisor reviews website, and modest level of paid attendance at the Maya sites of Lubaantun and Nim Li Punit, both in the 4,000 range. However there is evidence of high visitor satisfaction and a positive image in that 90% of visitors declared per the Exit Survey an inclination to return to Toledo on a next trip, and 90% an inclination to recommend it as a destination to other persons.

### Existing Costs and Willingness to pay

The average spend per day of $152 relates to all segments of visitors, while for the leisure segment only the level is $159 (2014 values). The willingness to pay reported by non-visitor respondents in the Exit Survey produced a median value of $150 per day. The corresponding median value for days willing to spend was 4.

## 2.4 Tourism market in Caye Caulker

This destination is known as an out of the way divers' and fishermen's haven that prides itself on its low key totally informal atmosphere, village feel and affordable prices. While holding its place in terms of arrivals, it has been somewhat bypassed by the growth in tourism occurring in other parts of Belize.

Caye Caulker has seen its market share decline from 33% in 2006 to 26% in 2014, while the neighboring caye of Ambergris has emerged as Belize's premier destination on the reef. Back in 2006 Caye Caulker's arrivals were nearly on par with those of Ambergris, so its position in relative terms has slipped somewhat since then. In 2014 after many years of irregular up and down performance it did reach a new peak in arrivals at 83,000 persons. The dashboard of indicators is presented below.

| **Dashboard of indicators for Caye Caulker** | |
|---|---|
| Indicator-arrivals | Comment/trend |
| Growth rate 2006-2014 | Flat at 0.3% per annum |
| Arrivals performance since 2006 | Rising from 81,000 to 83,000 in 2014 after major slump. Its market share has fallen from 32% in 2006 to 25% in 2014. |
| Arrivals performance since 2010 | Below average growth at 5.6%. Reached new peak in 2014. |
| Average spend of $115 per person per day | This is a proxy since no spend data exists. (The national average spend is $162 per VEMS). 78% of visitors used hotel accommodation (national average of 71% - VEMS 2013). |
| Length of stay 4.8 days | Below the national average stay of 6.7 days *in Belize* (VEMS 2014). |

| | |
|---|---|
| *resources* | |
| Hotel capacity 2015 and performance | Has 712 rooms, 10% of national capacity. Average hotel size is 7 rooms. Achieved a $69 average room rate, 43% room occupancy for 2014 (compared to $141 and 47% national averages). |
| Tour guides/tour operators | Has 61 guides out of a total 1,481 in 2013. 13 tour operators are registered in this caye (of total 209). |
| Areas visited | Caye Caulker Marine Reserve (10,800 visitors in 2008) and Caye Caulker Forest Reserve on north island |
| *accessibility* | |
| Air service | 2 airlines run a total of 11 daily flights to Belize City, 10 to San Pedro. |
| water taxi services | High frequency services are available from Belize City and San Pedro. |
| *Travel trade* | |
| Role of tour operators | Minor. On the Exit Survey 4% (6 respondents) visiting Caye Caulker used tour operators. 86% of respondents organized their travel 'on my own'. |
| Main competitors | Cozumel, Utila, Turks & Caicos, Cayman Islands, Bonaire, Cuba in the future |
| *Exit Survey highlights* | |
| Reasons for not visiting Caye Caulker on this trip | 25% for "*lack of information/unaware of what it is, what is offered*". 47% for "*not enough time to visit*". (non-visitors responding) |
| Reasons to visit on a future trip | *"Value of its cultural and/or natural patrimony"* was the only strong response (96%) on reasons to visit on a future trip. (non-visitors responding) |
| **Marine reserves** as influence for a future visit | "Would a trip to the following marine reserves influence you to choose Caye Caulker for a future visit?" yes response rates per each of 4 sites fell in the range 79%-83% Caye Caulker Forest and Shark/Manta Ray reserves top scoring. (non-visitors responding) |
| **Activities** most influential for a future visit | *Enjoying the cuisine*, *diving/snorkeling* and *swimming/sunbathing on beach* are the most influential activities (non-visitors responding). Same 3 activities topped the list of activities done by visitors. |
| Willingness to spend, length of stay | Max. amount willing to spend $175 and willing to stay 4 days (leisure non-visitors responding). |
| Inclination to visit again and recommend | Of respondents who visited Caye Caulker 90% would visit again, and 96% would recommend it to other persons. (visitors responding) |

## Profile of Current visitors

*Current Visitor Volumes (segments, LOS, spend)*

The overall dimensions of the tourism sector operating in Caye Caulker as estimated for the baseline year 2014 are explained in this section. The key segments that make up the total demand are also explained. The estimate for total stayover arrivals to Caye Caulker in 2014 is presented in the following table, divided into 5 segments. The total estimate of overnight arrivals is 82,700, with an average LOS of 4.8 days and average daily spend of $114.70. This spend value is a finding of BTB's VEMS yearly survey for 2014 (no other data available). The average spend per trip is $551 (4.8 days X $114.70) roughly half the national average of $1,085.

| A4 BOX OF ASSUMPTIONS - SEGMENTED BASELINE FOR CAYE CAULKER | | | | |
|---|---|---|---|---|
| segment | 2014-baseline arrivals 000s | average length of stay | segment ratio | average daily spend |
| Total visitors | 82.7 | 4.8 | | |
| marine divers | 33.1 | **4.8** | **40%** | **$ 114.7** |
| marine-sports fishermen | 12.4 | **4.8** | **15%** | **$ 114.7** |
| marine-sports activities | 16.5 | **4.8** | **20%** | **$ 114.7** |
| marine-tourists | 16.5 | **4.8** | **20%** | **$ 114.7** |
| work, VFR & other | 4.1 | **4.8** | **5%** | **$ 114.7** |

The leisure segments are estimated to make up 95% of the demand, with work, VFR & other together making up the remaining 5% because the local industrial base is so small as is the local population. The largest share, 40% is for divers, followed by participants in sports/adventure activities and general leisure tourists, each representing 20% shares. The smallest share, 15% represents sports fishermen. All four of these segments are marine-based. 86% of respondents to the Exit Survey visiting this destination made their trip arrangements on their own. Additional content on the definition of these segments is provided in the exhibit below.

| Segments defined for Caye Caulker baseline | |
|---|---|
| Segment name | comment |
| Marine - divers | Well defined segment handled by licensed operators using the reef and using Caye Caulker as cheaper alternative to San Pedro and other islands. |
| Marine – sports fishing | Well defined segment using islands, wetlands and the reef. |
| Marine – sports activities | Somewhat young segment pursuing snorkeling, sailing, skiing, kayaking, paddle boarding and other sports /recreational activities. |
| Marine – tourists | Visitors touring the beaches, cayes and protected areas (no sports activities) |
| Work, VFR & other | Any other non-leisure segments combined. |

## Potential demand

A derivation of potential demand for touring in Caye Caulker has been prepared and is shown in the following exhibit. It is based upon the tenet of the lifting of obstacles for visitors as revealed in the Exit Survey finding from question CCB-1 “Why did you not visit Caye Caulker?” for which 103 responses were obtained. This approach is consistent with the well-applied concept of latent demand: a measure of potential demand that could be realized if weaknesses like product, promotion or accessibility were addressed.

Only visitors who had not visited Caye Caulker answered this question. It figures the potential new visitors as of the baseline year with a total overnight visitor volume of 321,200. The result of this model is an increment of 1,678 additional visitors to add to the current level as a result of a future program’s targeted actions that would address and lift the obstacles over time. It does not address the issue of complementarity i.e. shifted/stolen demand from other destinations versus newly generated demand. The exhibit itself provides some explanation as does a technical note in annex 1 to this document.

The potential new visitors are drawn from the leisure segments only, and would have a higher willingness to spend per day of $175 versus $114. In the international context, this estimation builds on demand already visiting Belize and does not estimate incremental demand from abroad that a future tourism program would stimulate (requiring a different survey/data set).

| Latent / Potential Demand for CAYE CAULKER | | | | |
|---|---|---|---|---|
| **Logical basis for this latent / potential demand estimation:** | | | | |
| The percentage of tourists "not visiting" a specific destination approximates the potential/latent demand for "visiting" the destination if the "reason for not visiting" is corrected through an investment in the range and quality of the tourism product, its accessibility and its promotion. | | | | |
| Latent Demand is the additional demand that could be realized IF better promotion existed, IF a larger product range was available at different price points, and IF the destination was made more accessible. | | | | |
| **POTENTIAL / LATENT DEMAND estimates for the Destination** | | | | |
| Measure | | Info Source / Survey | | Quantity |
| Current level of Visitation to Caye Caulker | VEMS Survey data (% visit Caye Caulker x 2014 National Arrivals) | | | 83,000 |
| **Reason for NOT VISITING that could be corrected / removed by this investment program** | Underlying Issue | Info Source / Survey | **Q. #** | **Percent Reported** |
| Lack of information / Unaware of what is offered | Promotion weakness | Summary frequencies / Caye Caulker Sec. B | CCB-1 | 25.20% |
| It was not offered to me | Product & Promotion weakness | Summary frequencies / Caye Caulker Sec. B | CCB-1 | 1.00% |
| High cost of visit | Product & Access weakness | Summary frequencies / Caye Caulker Sec. B | CCB-1 | 0.00% |
| Cummulative "Reasons for not visiting" that could be impacted by an investment | | Calculated | | 26.20% |
| Theorectical increase in visitation if all objections were removed (as a %) | | | | 26.20% |
| (Note: Recall the logical basis for this estimation: if we remove the objections, more tourists will elect to visit this destination) | | | | |
| Potential pool of NEW LEISURE VISITORS (based on 2014 National Visitor Counts) | | (see pool calculations below) | | 167,815 |
| Realization Factor (% of the potential pool that can actually be converted to Caye Caulker Leisure Visitors) | | | | 1.0% |
| Basis for realization factor: Future STP II will improve product to limited extent. Possible public beach, nature park. | | | | |
| Potential NEW VISITORS to Caye Caulker as a result of product, promotion and access enhancements) | | | | 1,678 |
| **Total NEW VISTORS to Caye Caulker (Potential plus Current Visitors)** | | | | **84,678** |
| **Economic Value of NEW LEISURE VISITORS** | | | | |
| Latent Demand as a Number of New Visitors | | Calculated per above | | 1,678 |
| Average Daily Expenditure of CURRENT Visitors (Leisure Visitor only): | | 2014 VEMS (Note: Only source available) | | $ 114.00 |
| Maximum Amount Willing to Pay in Future per Day (Leisure Visitor only): | | Leisure only, median Amount Willing to Pay | CCB-6b | $ 175.00 |
| Median Maximum Time Willing to Stay (Leisure Visitor only): | | Leisure only, MEDIAN Time Willing to Stay | CC_A5_10days | 4.00 |
| NEW EXPENDITURE per Annum (at CURRENT Average Daily Expenditure Level x # of New Visitors) | | | (x) | $ 765,238 |
| NEW EXPENDITURE per Annum (at WILLINGNESS to Spend in Future Level x # of New Visitors) | | | (y) | $ 1,174,707 |
| **Conclusion: The economic gain from new visitors is estaimted to fall between $765,000 and $1.2 million.** | | | | |
| **Potential Pool Calculations** | | | | |
| National Visitation to Belize (2014 Base) | | BTB Stats / Government Immigration Record | | 321,200 |
| Three year Average Percentage of National Visitors who did not go to Caye Caulker | | BTB Stats / VEMS | | 74.25% |
| Three year Average Percentage of National Visitors who did go to Caye Caulker | | BTB Stats / VEMS | | 25.75% |
| Current level of Visitation to Caye Caulker: | | | | 82,721 |
| Less the Three Year Average Percentage of Non-leisure Travellers | | | | |
| | Less Friends and Relatives Travel | BTB Statistics Digest | | -17.10% |
| | Less Business Travel | BTB Statistics Digest | | -4.20% |
| | Less Official Travel | BTB Statistics Digest | | -0.70% |
| Less the Three Year Average Percentage of Non-leisure Travellers | | Calculated | | -22.00% |
| Three year Average Percentage of National LEISURE VISITORS who did not go to Caye Caulker | | | | 52.25% |
| Total Visitors who did not go to Caye Caulker (which equals the Potential Pool of NEW LEISURE VISITORS to Caye Caulker) | | | | 167,815 |

## Expenditure patterns

The average expenditure per trip is estimated to equal $551 much below the national average spend per trip of $1,085. The average daily spend of $114.70 indicates a somewhat price-sensitive customer base consistent with the island's reputation. The hotel industry's ADR for Caye Caulker hotels is $69 as compared to the San Pedro ADR of $229 and the national average of $141, per BTB reports. Per the Exit survey usage of hotels by visitors to Caye Caulker is 78%. In addition 86% of respondents booked their trips on their own without using tour operators or travel agents. This indicates an FIT clientele that knows how to plan in advance to travel inexpensively.

### Current Image & Positioning

This is a low-cost “no frills” destination for the dive market plus sport fishing and water sports enthusiasts, who place little value on night life, seaside resorts, cultural activities or even on having a beach available to enjoy. They seek experiences on the sea and under the sea which is why Caye Caulker has been able to draw 70,000-80,000 visitors per year for some time without having a beach or entertainment district to offer. The island has fine accessibility to dive sites, good accessibility by air and by sea, offers affordable prices and therefore can be easily combined with just about any other destination in Belize to create a combo package. On the TripAdvisor site, with nearly 5,900 reviews of 20 hotels, 4,756 reviews of things to do and 9,166 reviews of 68 restaurants, this destination already has a significant web presence and some depth of market knowledge.

### Willingness to pay

For tourists visiting Caye Caulker, their responses for the Exit Survey found a maximum willingness to spend (median values) at the improved destination of $100 per day. Non-visitors from the leisure segments only responding to the same question indicated a value of $175 per day, for a stay of 4 days.

# Chapter 3 Analysis of Tourism in the Selected Destinations

## 3.1 Analysis of Tourism in Corozal

### Visitor activities

| Corozal top activities done by visitors | |
|---|---|
| Swimming, Sunbath, beach activities | 73% |
| Discover local history, culture etc. | 60% |
| Water activities (sail,kayak,paddle bd) | 42% |
| Cerro Maya archeological site | 40% |
| diving, snorkeling | 37% |
| Discover, participate in art & crafts | 35% |
| Corozal Bay Wildlife Sanctuary | 32% |
| sports fishing | 16% |
| bird watching | 13% |
| note: not mutually exclusive | |
| source: Exit survey of May 2015 | |

As for the activities visitors pursue during their stays, respondents to the Exit Survey produced the following profile of participation rates in various activities during their trips. Water activities of various kinds drew high rates of participation. The diving/snorkeling rate of 37% is well below the rate for all tourists (67% for snorkeling) because Corozal Bay does not offer good diving/snorkeling sites and the reef is at some distance away. It is interesting that the Cerro Maya (Cerros) archeological site, reached by a 20" boat ride across the bay from Corozal town, got a higher response than did the Santa Rita site located in a residential section right in the town, which got only 32%. Scores as to the quality of the activities and attractions visited were generally 'good' or 'acceptable'.

### Management & marketing

At the industry-wide level, as tourism to Corozal declined the local BTIA chapter became dormant. With the rebound in arrivals since 2010, the chapter was revived at end 2014 and is now organizing to actively promote the destination once again. From the research for this study it is clear that few if any international or domestic tour operators are selling Corozal as a stop of any kind on their itineraries. Tour groups passing through by motor coach to and from Mexico also appear to be bypassing the town. In that connection two representatives from Corozal indicated that approaches are being made to tourism interests in Quintana Roo, Mexico, to publicize Corozal in Cancun and the Riviera Maya. There appears to be awareness in the trade of the need to address the information deficit about Corozal as a destination, and create visibility. The revived BTIA chapter and local tourism committee will need to be strengthened to fulfill their roles as tourism industry stewards if the local government and business community are serious about reviving Corozal as a destination for Belizean and foreign tourists.

At the micro level, the small 11-room average hotel size indicates that owner-operation is probably the norm and that few of the managers have significant experience of the hotel industry in more developed destinations. Just as the tour operators, the innkeepers will also need to be brought into the modernization process of understanding their product, position in the marketplace and methods to tap the most promising market segments.

### Main competition and strategies to be additive

*Competition*

One tour operator identified both San Pedro and Orange Walk as competitors to Corozal, both being easily accessible from Corozal. Tourists staying at San Pedro can easily take day-long excursions to points around Corozal Bay (Sarteneja, the manatee reserve and Cerros archeological site) and cruise back to San Pedro late afternoon. There is no need to overnight along the way to cover this circuit. The Lamanai vicinity with the river nearby and a selection of lodges represents a strong attraction (292 reviews on TripAdvisor) that is internationally known. It is the limited appeal or interest level of Corozal's attractions that explains why travel planners and visitors allot travel time to other destinations without seeing any need to overnight in Corozal.

Corozal can look forward to rising tourism if the foreign residential or long-stay population grows as more vacation or retirement homes are sold to them. Such visitors stay for months at a time and typically host friends and relatives creating demand for touring services locally, and Corozal's service providers could become very competitive as this business grows.

*Strategies to be additive*

Corozal can employ some strategies to create distinctive experiences highlighting unusual or unique aspects of Corozal's patrimony. This is for the purpose of generating new, 'additive' tourism that doesn't simply shift it from another destination in Belize. These aspects can include

- the town's memorable bayside location and the water's turquoise color
- the bay's function as wildlife sanctuary harboring sea life and bird life to contemplate
- the Maya site at Cerros with its beautiful waterside location, a rarity among the Mayan sites
- the Mestizo heritage and tale of the first Spanish-Maya wedding told at the Maya site Santa Rita
- the variety of wetlands, lagoons and rivers suited to viewing wildlife, quiet exploration and sport fishing

Corozal can be complementary and offer extension trips to visitors to the northern islands seeking a reef experience, to cultural tourists entering from Mexico motivated by Maya sites, and to Chetumalians seeking short getaways in a small English-speaking seaside town with charm. The weddings market also can be targeted. Corozal can also pair itself with proven destinations with such distinctive combos or packages which have become a mainstay for stayover tourism to Belize.

## Specific needs of target markets

*The cultural market*

The cultural market needs in Corozal town a more attractive and welcoming waterfront quarter establishing the area's link to the bay and the town's function as its gateway. An attractive urban waterfront would draw more international tourists who are coming already to Belize, to feature a stop at the town they currently are bypassing. The quality standards of the lodging and restaurants also would need to improve to a level meeting their expectations. For the international tourist, since they largely research and plan their own trips themselves, they need extensive online information and explicit choices of easy-to-book packages well-designed and presented starting at Belize's international airport or at Chetumal, featuring stays in Corozal.

There is a second cultural market to target, the local one made up of residents of Orange Walk town and of Chetumal across the border, who on weekends and holidays could choose Corozal town for short break holidays enjoying the town and the various boat excursions on the bay that it offers. They also need better quality food and some cultural and entertainment options. These can include meaningful experiences such as those evoking Mestizo heritage themes, or the varied wildlife of Corozal Bay and its role as sanctuary, which all lend themselves to inspiring exhibitions, performances and commemorations of various kinds. A growing calendar of such events would introduce 'interactivity' to the Corozal experience and appeal not only to Belizeans and Mexicans but also to some international visitors as well. This requires an element of 'edutainment' meaning education and entertainment combined.

*Marine markets*

The three marine markets of tourists by boat, sports fishermen and enthusiasts in other watersports would also be better served if Corozal town were to serve as a better 'platform' or gateway promoting the success of all such activities. Eventually regattas, competitions and ceremonies could be held on the bay (a 'blessing of the boats' each year) very much raising Corozal's visibility at the level of the nation and on the Internet as well. Binational Belize-Mexican competitions could be held. More sportsmen would opt for lodging in and around the bay as a result. Distinctive events like these being somewhat unique in the region would raise interest in the Corozal 'product' and raise international arrivals to Corozal. The effect might be largely 'additive' meaning rather than shift demand already going to other Belize destinations, with these new experiences it would raise arrivals from other countries, Mexico being the first to target.

It is significant that the visitors to Corozal responding to the Exit Survey noted two needs related to the cultural and marine demand segments. The two areas they signaled as needing improvement include 'road and tourism signage' by 43% of respondents and 'state of general maintenance and environmental quality of beaches, coast and sea for carrying out activities such as sunbathing, sailing, fishing etc.' by 40%.

## Bottlenecks/obstacles identified

The following exhibit presents a number of bottlenecks or obstacles hindering the competitiveness of Corozal. They are divided into those affecting the business environment, those relating to infrastructure and those that could relate to product development.

| **Bottleneck/obstacle** | |
|---|---|
| Segments affected | *Relating to the business environment* |
| Leisure | The foreign tour operators do not cover Corozal in their offerings and appear to lack any |

| | |
|---|---|
| segments | interest in it: none chose to complete the Tour Operator survey circulated for this project. This suggests a major lack of awareness problem in the travel marketplace. Separately a Belize tour operator has cited a lack of 'market knowledge' as a top obstacle for Corozal as a destination. |
| Leisure segments | A parallel obstacle is the absence online of appealing packages featuring stops in Corozal that foreign visitors can research and purchase with ease. Since many tourists typically make their own flight arrangements these packages have no need to provide for international air options, simplifying the packages' formulation. This is a major deterrent for the international markets. |
| Leisure segments | Corozal's attractions by and large are not on the radar screens even of Belizean Tour operators who function more as *excursion operators* managing excursions elsewhere in the country and making little effort to develop inclusive tour products featuring places in Corozal district. |
| Leisure visitors from Chetumal | Departure fee of US$18.75 is a deterrent for both leisure and business travel of Mexicans and is applied even to those coming from Chetumal. This tax is particularly burdensome for families to pay. |
| Leisure segments | BTIA Corozal chapter has been dormant for some time while the industry was declining. A revival of this chapter started in late 2014 when a new leadership was put in place. |
| Cultural tourists | Owners of inns and guest houses especially in the villages are not familiar with pricing techniques, defining marketable packages or with choosing the optimal sales channels/booking sites to reach their target markets. |
| Marine touring | Tourists staying in San Pedro can use tour operators based there to visit points around Corozal Bay like Bacalar Chico, Shipstern and Sarteneja and Corozal Wildlife Sanctuary. They have no need to visit Corozal town during such excursions. |
| | *Relating to infrastructure* |
| Cultural tourists | Corozal town's waterfront suffers in spots from erosion and deterioration marring the environment and reducing its appeal as a leisure urban amenity with a strong sense of place. |
| All | Corozal town lacks a distinctive monument symbolizing its past that could be used in promotion and image-building. The Santa Rita archeological site has been mentioned (by business people) to serve this purpose. |
| Cultural tourists | Santa Rita archeological site has no interpretation to enrich visits. Nor has it any framework to host ceremonies or gatherings (such as weddings) efficiently and sustainably. It also lacks toilets. The Cerros site also lacks a dedicated space with a bay view to hold gatherings. |
| Marine touring | Some areas around Corozal Bay especially Cerros archeological site are at times infested with insects causing a major nuisance for visitors and cutting the value of the visit experience. |
| Cultural tourists | The dirt road to the Maya site of Cerros has a rudimentary hand ferry to cross the New River which at times is inoperable. In rainy season certain parts of the road can become impassible. The same conditions apply for the drive to Progresso in which it is necessary to take a 2$^{nd}$ hand ferry. Such conditions make scheduling trips to such areas precarious. |
| | *Relating to product development/other* |
| Cultural tourists | Business people in villages of cultural potential like Xaibe, Pachacan and Libertad do not know how to promote community types of tourism like homestay and agrotourism. (a tour operator). |
| All except VFR | The quality of the lodging offer and service quality in many establishments are inadequate for all segments. |
| All | The quality of restaurants is substandard for international visitors. |
| Marine touring, marine sports | Stops with proper toilets, appealing restaurants are needed at points around Corozal Bay such as Sarteneja and at Bacalar Chico to make all day excursions feasible. |
| Leisure segments | The growing foreign retirement population situated in settlements around Corozal Bay has not thus far created the stimulus to tourism that had been hoped for. |

## 3.2 Analysis of Chiquibul-Caracol

### Visitor activities

| Cayo top 9 activities declared over 20% | |
|---|---|
| Discover local history/culture | 68% |
| Xunantunich archeological site | 40% |
| Bird watching | 39% |
| Cahal Pech archeological site | 34% |
| ATM cave | 33% |
| Mountain Pine Ridge Forest Reserve | 28% |
| discover/participate in arts & crafts | 26% |
| cultural events, shows, festivals | 24% |
| Caracol archeological site | 22% |
| note: activities are not mutually exclusive. | |
| Source: Exit Survey of May 2015. | |

As for the activities visitors pursue during their stays, respondents to the Exit Survey produced the following profile of participation rates in various activities during their trips. In addition to the activities in the table adjacent, there were 15 more that generated participation rates below 20%. Three archeological sites made the top 9 list as did 3 culturally oriented activities, and 3 nature oriented ones (bird watching, ATM cave and Mountain Pine Ridge). The research indicates that the tourists are relying heavily on their own research before selecting excursions and activities for their trips.

Also worth noting is the variety of popular activities in close proximity pursued in Cayo and how dispersed they are in all directions from the twin towns San Ignacio/Santa Elena that form its hub.

### Management & marketing

*The protected areas*

Caracol is managed by the NICH's Institute of Archeology which as a government agency has no direct role in the marketing of any of its sites. The Chiquibul forest is actually divided into the Chiquibul National Park, the largest in the country in area, and within that territory is found the Chiquibul Forest Reserve. The Chiquibul National Park has a co-management agreement with a local NGO called Friends of Conservation and Development (FCD) based in San Jose Succotz. This organization has a tour operating branch call Eco Quest through which it is able to sell tours into the park. It is also establishing relationships with universities to bring researchers to Chiquibul to perform work in the forest and in the cave systems. FCD's resources are very limited but it has succeeded in arranging for teams to work in the park and forest reserve. It has also established a relationship with a botanic garden in Florida which has sent some visitors to Chiquibul.

The Mountain Pine Ridge Forest Reserve comes under the Forest Department and as such does not undertake any marketing initiatives. The FD manages MPR and one of its purposes is to facilitate the range of recreational activities that the public seeks. In 2008 the University of Massachusetts prepared "Master Plan for Augustine[6]" which envisions the redevelopment of the village at Augustine for various management, recreational and tourism functions. This includes some services that could be operated on a for profit basis. To date the plan has not been implemented. It contains some excellent proposals for a variety of 'product development' enhancements related to tourism such as trail system development and lodge development.

[6] By University of Massachusetts-Amherst; June 2008 by Peter Stephens, Dan Shaw et al.

*Private sector roles*

In addition to the three lodges located within MPR, there is a handful of other small hotels located in the vicinity serving ecotourists and soft and hard adventure tourists. There are no lodges operating in Chiquibul or Caracol. In Chiquibul's Las Cuevas station, there is simple dormitory and housing accommodation available for the research teams. During this research no sign of any international hotel or inn affiliations was seen in connection with any of the hotels in Cayo.

As regards Cayo's image and exposure in the travel marketplace there is evidence that the attractions and businesses of Cayo area are gaining favorable attention with over 60 of them posted on the TripAdvisor website, of which the top 5 attractions are 4 Mayan sites plus an iguana conservation project. Also San Ignacio has the distinction of winning 10$^{th}$ place in TripAdvisor's recent ranking of all destinations in the 7 country Central American region this year[7]. These signs of visibility are important for Cayo's image and exposure to consumers used to researching travel options. In this regard, it was noted in the dashboard of statistics that 75% of visitors make their own travel arrangements.

As regard the industry stewards, there is a local BTIA chapter and a local tour guide association, but their resources are limited and promotion is carried out by the individual business owners, supported by BTB as it supports the industry nationwide. A number of the business owners include foreigners or dual nationals with family and business ties in the US and Canada which helps in promotion-related initiatives and in understanding quality standards that travelers from those countries expect.

## Main competition and strategies to be additive

*Competition*

The competition for cultural tourism consists mainly of Mexico and Guatemala, both having geographically similar terrain and both also anchor countries of the Mayan Trail with their star archeological attractions of Chichen Itza, Uxmal and Tikal. Like Belize, they both offer many lesser known archeological sites dispersed among small towns, cenotes and adventure parks for families and young adults. Honduras is also a competitor in the Mayan world. Like Belize it is also trying to promote the ridge to reef product combining Copan Ruins with the excellent diving it offers in its Bay Islands, not too far east of Belize's barrier reef.

For the ecotourists and soft and hard adventure travelers, Costa Rica and Mexico are competitive, both having marine and land protected areas to offer. Costa Rica emerged a few decades ago as a pioneer setting trends in the field of ecotourism. Both countries also have relatively long coastlines and variety of terrain, flora and fauna. Belize has an edge in the area of hospitality and interpretation in that English is spoken by all Belizeans. Panama also is considered somewhat competitive.

There is also competition from the other land and seaside destinations of Belize in that all are vying for the limited time that visitors allot for their trips. As to specific destinations, Ambergris and Placencia got most frequent mention by tour operators.

[7] San Pedro was the only other destination in Belize appearing in the top 10, winning 2$^{nd}$ place, after Santa Teresa in Costa Rica.

*Strategies to be additive*

Emphasizing the unique attractions of the Chiquibul-Caracol area will enable Belize to attract new business and lure repeat visitors to Cayo.

- Mesoamerican Cave System gateway: This future attraction will build on the reputation Belize already has earned for underground rivers, Maya sites and cave tubing and other soft adventure activities. A facility explaining this underground world could be unique and a strong tourist draw.
- Deep forest experiences: The Chiquibul has unique stories of chicle, mahogany, Maya history, and distinctive flora and fauna, to be experienced in the deep jungle as well as in museums/visitor centers.
- Maya Trail hub: As the sole English-speaking country in the Mayan world with an international airport an easy 2 hour drive of Cayo, Belize could compete as a convenient Maya Trail starting point with an improved Caracol as anchor site.

## Needs of target markets

*Cultural tourists and ecotourists*

Cultural tourists and ecotourists alike want to visit and learn about the Mayan temples and history, the flora and fauna of the region especially the jaguar and exotic birds, the exotic flowers, forests and waterfalls, the extensive system of caverns and the intriguing archeology that they contain. They seek the knowledge from actual visits to the relevant sites with trained guides, and also from museums and interpretive centers available at the sites.

Of the three protected areas under evaluation Caracol, with its visitor center and large corps of guides based in Cayo, offers the best experience for these two segments. However, in terms of trip logistics its system is restrictive as it limits the visitor's quality time at the site per the security requirements of the site in a border area. Another factor reducing visit time is the added time lost in transit during the rainy season when the unpaved road is in poor condition. As a result the visit experience holds little opportunity for enjoying related activities like taking jungle walks nearby, relaxing at a café or even attending a performance or reenactment of some kind. The visit experience today is one dimensional.

At Chiquibul the forest is not yet outfitted with a suitable road, trails, comforts or visitor center so there is everything to do to start to build a rewarding experience for visitors.

At MPR the situation is similar as there is no visitor center with interpretation or related services, but there are plenty of notable natural attractions like 1,000 Foot Falls, Pinol Sands, Rio On Pools and Rio Frio Cave to name a few. Similarly a great deal could be done here as at Chiquibul, to provide enriching visitor experiences at various locations spread around this forest reserve.

*Soft adventure tourists*

Activities already offered elsewhere in Cayo for this market include horseback riding, hiking, biking, swimming, non-technical rock climbing and particularly a Belize specialty, cave tubing. At Caracol the security environment is such that such activities are probably deemed incompatible with keeping this area so close to the border with Guatemala very secure. On the other hand, in the Chiquibul forest some could be accommodated through the adaptation of existing tracks, old trails and even railroad tracks that could be adapted for some recreational uses like these. These facilities could provide very satisfying experiences in an unspoiled hardwood forest containing much heritage in terms of flora and fauna.

However it is at MPR where there is definite potential for several such activities, along the Brunton Trail for example where Mennonite enthusiasts do mountain biking. Some existing trails in this reserve are accessible from the Chiquibul Road, offering some scenic value, and could be outfitted for such activities. Some areas along MPRs creeks could also be outfitted with posted secure walkways descending into gorges and crossing rocky areas. Several such activities could be supported and MPR could serve as Belize's premier 'adventuring paradise' offering these types of soft challenges. Highly publicized rallies and competitions could be staged including even sports events gaining international interest such as a San Ignacio-Caracol Bicycle Race or even a Caracol-Tikal Mayan Trail Marathon.

*Hard adventure tourists*

There is potential to cater to a limited number of activities for the hard adventure enthusiast, and overland trekking comes to mind as well as spelunking in Chiquibul's vast network of caves.[8] These travelers seek the challenging venues that are well managed and safely operated with licensed guides and operators. Factors like scenery or archeological content are extras but are of secondary importance since it is the quality of the challenge that is foremost. The overland trekking experience could be provided via a future north-south trek route from Chiquibul forest over the Maya Mountain range ending in Toledo in the vicinity of San Jose.

The activity of spelunking or cave exploration is already available in Belize. However there is currently no opportunity to explore any part of Central America's largest system of caverns and subterranean rivers making up an extraordinary geological formation, and found beneath the Chiquibul forest. These sportsmen would find a unique opportunity at the Kabal cave located in Chiquibul just a few miles off the road to the Las Cuevas station. This cave system is interlinked with 3 others extending westward and northward deep into Guatemala's Petén. Fans of caving would find plenty of challenges in this complex, and also find the related geological story and archeological layer both of great interest.

While the adventure tourists are focused on the quality of the challenge they seek, for personal enrichment and for thrills, there is evidence that they are sensitive to peripheral interests in local history, culture and natural themes, as are the broader ecotourism and cultural tourism segments. The Maya Mountain Adventure Challenge (http://www.mayamountainadventurechallenge.com/ ) is an example of such an event with an international draw, scheduled for February 2016.

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[8] A relevant but dated report on the US hard adventure market posted by the Canadian Tourism Commission is available at http://en.destinationcanada.com/sites/default/files/pdf/Research/Product-knowledge/TAMS/US%20Outdoor%20Activity/tams_report_U.S._hard_outdoor_adventure.pdf

## Bottlenecks/obstacles identified

The bottlenecks or obstacles hindering the growth of tourism are indicated in the following exhibit.

| **Bottleneck/obstacle** | |
|---|---|
| Segments affected | *Relating to the business environment* |
| cultural | Security concerns in the Chiquibul-Caracol area require all operators to be extra vigilant and to use the escorted convoy system to get customers to Caracol, which cuts the visiting time available at the archeological site and leaves no flexibility for the tour operators. |
| All leisure | The cost of tours can be too high cutting the competitiveness of packages in Cayo. |
| cultural | At times when there is need to host Spanish speaking groups the Spanish speaking guides are not available. Guides with other foreign languages are very hard to locate. |
| all | Caracol, Chiquibul and MPR are all lacking in some visitor facilities. Moreover MPR has many natural attractions that cannot be safely visited much of the year because of dangerous walking conditions and poor road conditions in the rainy season. Concessions could be arranged to set up some of these facilities and improve the condition of the attractions, but there seems to be inaction in rectifying these deficiencies. |
| | *Relating to infrastructure* |
| all | Chiquibul Road provides the sole access to MPR, Chiquibul forest and Caracol archeological site, but has sections that become impassible for most vehicles in rainy season forcing tour operators to suspend trips to any of those attractions until blockages are rectified. One operator said that in the rainy season there are no excursions available. |
| | The ride between San Antonio village and Caracol can take an hour or in rainy season two hours and there are no services along the road for food or refreshment, gasoline, or sundry supplies or even first aid. There are also stretches where there is no cell phone service. |
| | At Caracol there are no secondary attractions such as observation towers, jungle walking trails, or a park or jungle lodge to relax, eat or stay the night. |
| | At MPR the visiting conditions at many of the attractions are unsafe in rainy season. This relates to flooded access roads and parking areas, slippery walkways with or without handrails, unstable climbing steps especially in rocky areas and along creeks. Nearly all the attractions display unsafe conditions of this kind. |
| | Signage along the roads in most areas is inadequate making it difficult to navigate easily around Cayo. |

## 3.3 Analysis of Toledo

## Visitor activities

| Toledo top activities declared | |
|---|---|
| Discover local history, culture | 78% |
| Lubaantun archeological site | 51% |
| Discover, participate in art & crafts | 45% |
| Blue Creek (Hokeb Ha) cave | 31% |
| Historicl presentations/dramatizations | 29% |
| bird watching | 24% |
| Port Honduras Marine Reserve | 18% |
| Sapodilla Cayes | 14% |
| note: Activities are not mutually exclusive. | |
| source: Exit Survey of May 2015. | |

As for the activities visitors pursue during their stays, respondents to the Exit Survey produced the following profile of participation rates in various activities during their trips. It is apparent that land-based activities dominate the list with the first marine listing, Port Honduras Marine Reserve, coming in at 18%. This land-based dominance may result from the fact that marine sports are more expensive than the land based activities since boat transport tends to be expensive and the ratio of tourists per attendant for water activities may be lower than the ratio for the land activities. Some tour operators commented about the high costs of water excursions because of the fuel cost and small group sizes involved boosting the per person prices. It is possible that cost related factors are keeping the participation rates for water-based activities low as shown in the exhibit.

## Management & marketing

The local BTIA chapter[9] with some 30 members, fulfills a role of stewardship for Toledo's tourist industry and as such has for some years operated an information hut in the center of Punta Gorda. It also provides a home for Toledo's Tour Guide Association which has 78 members. This chapter has also worked to improve the Cacao Festival as an annual event held in Punta Gorda and environs that will draw increasing international visitors and media attention.

The BTIA chapter has contacts with its counterpart in Placencia which as a rapidly building destination, has begun to draw on guides and operators based in Toledo. Some Placencia operators are now selling excursions to points in Toledo, so these chapters could serve their memberships in facilitating the coordination of resources across both districts as tourist volume grows. This may eventually represent an opportunity for the creation of packages linking the two districts to attract the growing base of tourists lodged in Placencia and in other resort areas to its north.

With respect to the count of tour operators in Toledo, they number 13 and include some of the hotels that offer tours to their guests. It is possible that most are operating local excursions rather than inclusive tours. The TIDE organization is another force in the district, consisting of a pair of entities, one taking the form of an NGO and focusing on development and the environment, and the other a for-profit tour operating company. It has helped in marketing the inland area of the district where a cluster of varied attractions is located along a loop called the Big Falls Adventure Trail.

With regard to the lodging sector, the average establishment has 8 rooms and owner operation is most likely the norm. Because of the remote status that Toledo has, it is likely few of the small scale innkeepers have much experience of quality standards and marketing approaches in use in more

[9] Some of the content in this section is drawn from "Pro-poor (inclusive) value chain analysis and recommendations for the Belize Sustainable Tourism Program II (BL-L1020), specific to Corozal & Toledo Districts" by Action for Enterprise and released in June 2015 in draft form.

developed destinations. For a young clientele already seasoned to the country this standard of lodging may be acceptable but with the promise of rising tourism entering from Placencia to the north, and from Guatemala to the west, the quality of small scale lodging may be an area for improvement.

With respect to Toledo's visibility in the Internet marketplace, from its very minimal coverage on the TripAdvisor website it is apparent that there is an information void. Only the archeological sites of Lubaantun and Nim Li Punit have attracted a bit of attention, with 35 and 27 reviews posted for each. This is in contrast to numerous other attractions in other districts which have a few hundred reviews each for potential travelers to examine.

## Main competition and strategy to be additive

With respect to the competition for Toledo's inland nature-based and cultural attractions, the Cayo district is competition as well as parts of Mexico such as the Yucatan, Guatemala and especially Costa Rica. Some of these destinations are also offering 'ridge to reef' convenience and variety in relatively compact areas. It is interesting that Costa Rica has earned its position as the top destination in Central America based on its innovative offer of mainly nature-based experiences since it never had its own indigenous civilization to present like the Maya or Aztec civilizations.

With respect to the competition for marine activities that Toledo offers along the coast and at Sapodilla Cayes, the Northern Islands and Placencia as well as Roatan (in the Bay Islands of Honduras) are competitive, as are more distant dive destinations in the Bahamas, Virgin Islands and Bonaire for example. For reef divers the Sapodilla Cayes can be reached more readily from Placencia, at 20 miles to the north, than from Punta Gorda at 30+ miles to the west. The longer sailing time needed from Punta Gorda adds to fuel expenses and time lost in transit back and forth to the cayes. For the specific field of sport fishing, different points along the Belize coast, in its islands, and similarly other points in Central America and the Caribbean and even in the US (Florida for example), represent competition.

As for a strategy to generate additive new tourist arrivals, a unique factor is Toledo's cultural variety found in the rural villages located close to natural sites such as forests and wetlands. This factor makes possible a ridge to reef experience with a cultural facet or twist not found elsewhere in Central America, combining Garifuna and Maya with East Indian, Creole and Mestizo. With good packaging and logistics relatively short trips can expose visitors to a mix of cultures and activities by road and by boat that will be memorable.

## Needs of target markets

Cultural tourists and inland explorers seek the ability to navigate easily around the district's numerous inland attractions on arranged excursions or independently, so signage and good road conditions are needed. Well maintained comfort facilities up to an acceptable standing are indispensable at all of the attractions. Clear and easily accessible information on the experiences (the tours and excursions) and booking procedures are also indispensable with the rise of 'do it yourself' travel planning.

A special outreach is needed to tap various not for profit segments such as researchers, health and education teams, and religious and community development groups that in addition to their direct assignments, seek an enjoyable break such as discovery of Belize's most remote or secluded district with its natural and cultural diversity.

The marine oriented segments include divers and sport fishermen who need to be hosted by specially trained operators, and enthusiasts of various aquatic sports activities making use of the rivers, lagoons and cayes in remote areas away from services. During their stints away from land they need comfort facilities of an acceptable standard, some options for food and refreshment, to be found ideally rest stops at outposts that are attractive and offer these services. These can be provided at ranger outposts in the lagoons or in the cayes such as the Snake Cayes in the Port Honduras Marine Reserve. A well-managed campground could be added to make possible multi-day stays in such areas and offer a natural alternative to lodging located in Punta Gorda.

All of these segments would enjoy time in the district's key town, Punta Gorda, more if it offered more restaurants and retail shops reflecting international quality standards, and if the town also provided a visible linkage to the sea via a promenade, tourist pier, visitor center or other such amenities (or combination of them) as is the case in many towns of the Caribbean and North America. In this way visitors could enjoy the refreshing psychological boost that seaside relaxation provides, motivating them to stay longer, to provide positive word-of-mouth about Toledo, and to return on another visit. A better linkage of the town to the sea would encapsulate the reef-to-ridge product in which Toledo seeks to excel.

Per the Exit Survey 90% of visitors declared an inclination to return to Toledo on a next trip, and also 90% an inclination to recommend it as a destination to other persons. The responses as to the quality of the features of the Toledo 'product' such as accessibility, safety, availability of information, the state and appeal of archeological sites, indicate good or acceptable in nearly all the cases with good margins. The two exceptions of note are 'road and tourism signage' and 'activities such as sunbathing, sailing, fishing, etc.' where 59% and 41% of respondents indicated 'needs improvement'.

## Bottlenecks/obstacles identified

The bottlenecks or obstacles hindering the growth of tourism are indicated in the following exhibit.

| **Bottleneck/obstacle** | |
|---|---|
| Segments affected | *Relating to the business environment* |
| Leisure | The ready availability of clear information on attractions in Toledo and on travel packages featuring experiences in Toledo is insufficient. There is evidence of an information void as signified by the minimal TripAdvisor reviews and by the need for more information that survey respondents have cited. Some business people have cited 'market knowledge' as a weakness. |
| Leisure segments | The foreign tour operators do not cover Toledo in their offerings and appear to lack any interest in it: none chose to complete the Tour Operator survey circulated for this project. This suggests a major lack of awareness problem about Toledo in the travel marketplace. |
| Leisure segments | Many operators of tours and excursions and hotel/guest house operators do not have a clear idea of the segments they need to target, messages to convey to each and the right marketing channels to use. They may not effectively use Internet marketing and social media to support |

| | |
|---|---|
| | their business. Hotel occupancy levels are extremely low and are evidence of this. |
| Cultural tourists | Owners of inns and guest houses especially in the villages are not familiar with pricing techniques, defining marketable packages or with choosing the optimal sales channels/booking sites to reach their target markets. |
| All | The remoteness of Toledo from the Philip Goldson International Airport requires a somewhat expensive $240 round trip internal flight from Belize to Punta Gorda which boosts overall trip costs. A reduced tour-basing fare is an option in some countries that could be adopted. The drive takes approximately 4 hours, effectively a half a day lost each way. |
| | *Relating to infrastructure* |
| all | Various points along the waterfront of Punta Gorda have suffered erosion and in some instances are putting in jeopardy buildings overlooking the sea or stretches of roads near the water's edge. Some structures including restaurants may be forced to relocate if the problem were to jeopardize their safety. |
| Marine segments | The public boat ramp on the small inlet near Garbutt's Fishing Lodge is on a very cramped site along the road and can represent a hazard for passing vehicles at times when several boats and trailers are using the ramp. |
| Marine segments | When seas are choppy the loading and unloading of small boats and water taxis at the existing piers can be precarious for passengers since none of them offer any enclosed moorage sheltered from the elements. |
| Inland explorer, cultural segments | During rainy season conditions along the unpaved roads to many of the inland attractions can make them impassible and unreliable for many vehicles, making the logistics for excursions very difficult and raising the need for contingency routes and attractions. |
| Marine segments | In the Port Honduras Marine Reserve and adjacent Paynes Creek National Park comfort facilities are limited to those found in the ranger stations which are not always up to an acceptable standard for public use. Visitors to these areas can use private facilities in nearby Punta Negra but they are at some distance from the dock and are found in a private restaurant. |
| | *Relating to product development/other* |
| all | Toledo's industry stewards (innkeepers and tour operators) need to address the substandard nature of the "Toledo product" found in guest houses and restaurants in Punta Gorda and at villages inland, in terms of guestrooms, dining rooms and toilet facilities. Some are perceived as substandard producing harmful commentary and word-of-mouth publicity. |

## 3.4 Limited Analysis of Caye Caulker

### Visitor activities

The two exhibits below present findings from the Exit Survey about the activities available at Caye Caulker. Respondents who had visited indicated activities they had pursued and the tally of the higher scoring activities is on the left. Respondents who had not visited Caye Caulker were asked which activities would be influential in opting to visit Caye Caulker on a future trip. Those are shown on the right. In both sets of activities the marine activities are dominant as is enjoying cuisine & local products. The activities as influential factors for future trips got particularly high scores.

| Caye Caulker visitors top activities | |
|---|---|
| swim, sunbathe, relax on beach | 94% |
| enjoy cuisine & local products | 88% |
| diving, snorkeling | 83% |
| visit barrier reef/Blue Hole | 58% |
| visits to islands & cayes | 55% |
| watersports sailing, kayak, paddle board | 55% |
| Shark/Manta Ray reserve | 52% |
| discover local history, culture | 45% |
| Turneffe Atoll Marine Reserve | 20% |
| sport fishing | 17% |
| cultural events, shows, festivals | 16% |
| note: not mutually exclusive | |
| source: Exit survey of May 2015 | |

| Caye Caulker non-visitors influential activities | |
|---|---|
| enjoy cuisine & local products | 96% |
| swim, sunbathe, relax on beach | 87% |
| diving, snorkeling | 87% |
| visits to islands & cayes | 84% |
| visit barrier reef/Blue Hole | 83% |
| watersports sailing, kayak, paddle board | 78% |
| discover local history, culture | 77% |
| discover, participate arts & crafts | 76% |
| cultural events, shows, festivals | 69% |
| historical representations dramatized | 53% |
| excursions to mangrove | 49% |
| sport fishing | 46% |
| note: not mutually exclusive | |
| source: Exit survey of May 2015 | |

## Main competition and strategies to be additive

*Competition*

The competition for dive tourism is broadly spread across the Caribbean and includes places like Cozumel in Mexico, Roatan and Utila in Honduras, Cayman Islands, Turks and Caicos, the Virgin Islands and Bonaire. The Florida Keys also has a dive destination at Key Largo, and Cuba is likely to boost its promotion of this type of tourism with its opening to the US market. In addition, the various dive destinations in Belize itself can be considered competitive to each other, and this variety of choice is one reason Belize diving has become so popular.

*Strategies to be additive*

Caye Caulker can attempt to leverage its 'economy diving' cost advantage by pairing its well-known dive experience (as it already does) with that of the Mayan jungle sites, with cave-tubing and other soft adventure activities inland, or with viewing wildlife and exotic flora and experiencing Mayan village life. With the exceptions of Cozumel and Utila, the above mentioned competing destinations are not able to offer such combos as they are more 'mono-product' in nature. It is such unusual combo packages that can help Caye Caulker distinguish itself and compete in the international dive world.

## Specific needs of target markets

*The dive, fishing and sports activities market*

These sportsmen and women come to Belize because of the easy access to the dive and fishing spots from the islands where they are based, and because of the wide choice of such spots to try. They lose a minimum of time reaching the spots leaving a maximum of time for the key activity. It is this advantage with the logistics that have made the success of Ambergris and Caye Caulker in the world of diving and sports fishing. To cater to these enthusiasts, there is a total of 13 tour operators based at Caye Caulker and many more at Ambergris. TripAdvisor shows a total of 19 businesses from Caye Caulker posting promotional information. There is a much higher number of similar operators on Ambergris which functions as the hub for the reef and can meet the needs for divers and sports enthusiasts of all kinds based at Caye Caulker and other locations.

*The marine leisure market*

This market typically seeks a beach for recreational purposes, either a public beach or private ones serving resort hotels. A beach is an amenity that sportsmen or divers do not need themselves. However the availability of a beach will enable them to bring friends and family members along having no interest in diving or fishing but some interest in pursuing other water-based activities. This analysis examines their needs with a view to providing a better product at Caye Caulker appealing to leisure tourists.

Currently some visitors swim at the channel on the north end called “the Split” but there is no distinct beach with its own enclosure separating the sandy area they use as a beach from the public walkways leading to it. People use the sandy area and the dock near the popular restaurant/bar (The Lazy Lizard) to sunbathe, socialize and swim. A fishing operator is based nearby as well. The current that flows through the Split can at times be strong making it unsuitable for youngsters. The Split is popular for its convenience, for the beauty of the view and for lack of any better beach that is easy to reach. But its use for swimming is evidence of an unmet need.

The availability of a well-groomed, sanitary public beach offering a range of recreational activities and served by food and drink vendors and establishments not only will draw a broader market but may raise the appeal of the destination in the off-peak months especially the July-August vacation months in North America when family travel is at its strongest.

In addition, there is no tranquil, natural park area on Caye Caulker suitable for strolling and bird watching away from the island’s commercial areas. The north island offers that undisturbed environment and has the Caye Caulker Forest Reserve but with no bridge connecting the north island and the main island it is relatively isolated. At this stage it is not known if the pattern of future private developments will allow for a large natural area occupying land and wetlands such as the Caye Caulker Forest Reserve, to be prepared and maintained for the enjoyment of nature.

With respect to the coastal environment, a related finding of the Exit Survey regarding visitor perceptions is relevant. Respondents were queried about ten features characterizing Caye Caulker, and their needs for improvement. In the case of Caye Caulker, only one feature got a substantial “needing improvement” response higher than 20% and that was “State of general maintenance & environmental quality of beaches, coasts, and sea for carrying out activities such as sunbathing, sailing, fishing, etc.” which got a 30% response. This is significant evidence of a need to improve coastal zone management in the perception of those visitors queried.

## Bottlenecks/obstacles identified

Two bottlenecks or obstacles hindering the growth of tourism are indicated in the following exhibit.

| **Bottleneck/obstacle** | |
|---|---|
| Segments affected | *Relating to the business environment* |
| Marine tourists | The lack of a spacious and well maintained beach for general recreation purposes and light sports is a drawback in attracting leisure tourists and particularly divers and fishermen wishing to travel with friends and families. |
| Marine tourists | The north island may see a pattern of private developments that may prove to be incompatible with the long term operation of a recreation area or nature park as an amenity for the appreciation of nature possibly located in the Caye Caulker Forest Reserve. |

# Chapter 4 Diagnosis and Intervention Strategy

## 4.1 Destination Corozal

### *Main tourist vocation*

Corozal can position itself as a refreshing gateway to Corozal Bay and to all the heritage and adventure opportunities that it offers. It will become popular for its welcoming waterfront district busy on weekends and holidays with Belizeans and Mexicans seeking leisure and recreational activities both in the town and via boat tours to points along the bay and up the New River. The key products it will offer will include cultural experiences reflecting themes such as the Mestizo heritage, events in Mayan history, other historical themes, the purpose of the wildlife sanctuary, and its resorts and other points of interest around the bay. The segments to target include firstly the cultural tourists both locally based and international who would focus on the town; secondly, the marine tourists visiting various points around the bay, and thirdly VFR.

At the same time and as a counterpoint to Corozal town, the village of Sarteneja can emerge from being just a quiet outpost to mini-hub for eco-tourism excursions linking various points situated around the bay. From its central location at the heart of the bay, it can draw tourists from both Corozal town to the west, and from San Pedro to the southeast. It can offer different products, namely 'bay discovery' for cultural or general interest tourists, a variety of water sports for the sports-minded, and guided fly fishing outings for fishermen. In its offer of ecotoursm excursions it can also stage visits for birders and animal lovers to Shipstern Reserve, and Wildtracks center for primates and manatees. Sarteneja's vocation is a dual one, as hub at the heart of the bay, serving tourists from Corozal town, and also excursionists from San Pedro.

From the standpoint of trip planning, Corozal in the short term can specialize in one and two day visits for Belizeans and Mexicans and perhaps 2-4 day visits by Maya Trail visitors and marine sports enthusiasts. For these tourists Corozal can serve as an interesting pause on a longer itinerary, but not as the main stop. It will take a longer time to cultivate the vacation market, staying a week or two, such as those vacationers staying in the Northern Islands and Cayo. The faster residential tourism rises, the more long term vacationers Corozal can attract.

### *Tourism potential of each key product*

One key product is the 'urban' product focused on the town of Corozal and the bay to which it opens. Its potential will grow as the town improves its waterfront, adds a promenade, and builds up its cultural calendar to host a number of leisure activities and opens leisure oriented businesses to be created in the zone fronting the bay. Visitor volume could grow far higher than the 6,000 visitor estimate for marine and cultural tourists and do so relatively quickly drawing Mexicans and international segments as well as Belizeans.

Similarly, as Sarteneja's operators of boat excursions learn to better package and price different activities, they can expand the offer of water-themed activities from their base at the heart of the bay.

These same products are of proven popularity elsewhere in Belize and once they see potential, Corozal's operators can apply what they've learned to base some operations at Corozal town and Sarteneja.

### *Needs for enhancement of attractions*

The primary need is that of adapting the waterfront and adjacent urban areas in Corozal town to provide a welcoming ambience that will 'show off' the bay in a memorable way. Once a promenade or boardwalk is installed a visitors center perhaps featuring a nature center can be built to serve as a staging area for excursion boats and water taxis. An encompassing master plan for the waterfront part of the town is needed. The nature center could present the history and ecology of the bay and the meaning behind its role as wildlife sanctuary.

The archeological sites of Santa Rita and Cerros also are in need of enhancements because as they stand today they are not compelling but are rather 'mute'. The Santa Rita site is in a quiet residential area of Corozal town, and is bypassed by most tourists to the town. Having no interpretive information of any kind, it is a silent structure of limited visual interest. What is needed is a major upgrading program for public use on a sustainable basis providing a framework for uses like events and commemorations and even festive weddings.

The small town of Sarteneja is already attractive and will undergo small improvements as the number of operators using the bay expands.

### *Needs for Private Sector engagement*

As the umbrella organization for tourism, the BTIA can provide leadership via its chapter in Corozal by cultivating a unity of vision and by helping the various trades secure some needed types of training to operate better and to get access to finance sources that will underpin capital investments. The key types of assistance to certain areas of activity are described below.

The BTIA could partner with BTB to strengthen the businesses running excursions to do a better job of packaging them, pricing them and marketing them. These operators in Corozal number only 5 firms per industry records. These are micro businesses that need training to produce better excursions and to negotiate better prices for them. They also need training to negotiate from a stronger position with tour operators insisting on cut rate fees. BTIA perhaps with the partner tour operator association BNTOA could also advise the excursion operators on the techniques of formulating inclusive tours and on the pricing and marketing of them to target markets.

In addition, some Belize operators may wish to enter the inclusive package tour industry which competes internationally and involves a higher level of risk. SMEs eyeing this field will need such orientation as to marketing, pricing, risk and so on. This may be a good opportunity since the foreign tour operators are bypassing Corozal to focus on only the few proven destinations.

As regards small scale lodging, B&B, inns and guest houses, similar training is needed for the owners. In addition, industry expertise is needed to orient the owners in the selection of the most suitable booking channels to use in the world of social media and e-marketing.

In the realm of PPPs some possibilities for such partnerships are explained below. Some of these are related to infrastructure proposals appearing at the end of this chapter (proposal numbers noted).

- Tourist pier and boardwalk focal point: A pier plus boardwalk with visitors center ensemble near the Old Market would symbolize the emerging destination status of Corozal town and its role as gateway to its bay. (infrastructure proposals 1 and 2)
- Cerros and Santa Rita archeological sites for events: Subject to strict conditions the Institute for Archeology can permit public uses such as weddings and commemorations at these sites. Allow limited food and beverage concessions at Cerros per its very isolated location. (infrastructure proposals 7 and 8)

### *Institutional strengthening needs*

An additional area of an institutional nature is the reinforcement of these associations representing various travel industries, for tour operators, for the owners of hotels and inns and for tour guides. Stronger associations will be in a better position to advocate for reforms on issues such as the best marketing channels to use, and the exemption of the departure tax for Mexicans, deemed an impediment to tourism from Mexico. Stronger local associations will be in a better position to arrange technical assistance programs for its members, and to request favorable terms for MSME lending and even grants in some cases.

These associations can also disseminate national developments and trends and statistics about tourism to their memberships in the 'top-down' direction, and in the reverse direction can provide feedback from memberships upward through their national leadership, to government bodies. This function may be important for Corozal which is having some success in pulling out of a downward slump and may be in a position to make requests for assistance to boost its recovery.

### *Identification of Priority Infrastructure*

The table below contains proposals for interventions related to infrastructure for Corozal.

| **Corozal priority infrastructure proposals** | | |
|---|---|---|
| 1 | Infrastructure-urban/marine | Provide for a sensitive implementation of Corozal Town's planned bayside boardwalk as a transformative urban amenity anchoring the town's role as gateway to the bay, welcoming visitors and locals with a variety of leisure oriented activities and services. A visitors center, tourist pier, shops and restaurants are to be located on and near the boardwalk and water excursions to points around the bay will depart from its pier. |
| 2 | Infrastructure-urban/marine | Create a tourist pier in/near the heart of Corozal town serving as a central staging point for water taxis to/from other points and for touring cruises to Cerros, New River, Progresso, Sarteneja and Bacalar Chico. Expansion of an existing pier is a possibility. Coordination of this facility with the proposed bayside boardwalk is essential. |
| 3 | Environmental-marine | Along Corozal's waterfront implement a program of shoreline stabilization measures at eroded points to address deterioration, consolidate coastal areas and create spaces for promenades and seaside parks. Combine this project with that of the proposed seaside boardwalk in the town's center and with the tourist pier proposal as feasible. |

| | | |
|---|---|---|
| 4 | urban heritage | Formulate a plan to rework Corozal town's waterfront neighborhood centered on the Old Market to provide space for events, bazaars and community gatherings and effectively link the townscape to the sea from which it is largely shielded. This is to serve as an arts & entertainment quarter and is to include building beautification incentives emphasizing traditional architectural features and natural materials. |
| 5 | environmental-urban | Corozal town waterfront and adjacent blocks soil stabilization. The blocks in the city center next to the waterfront area need to be assessed for remedial action to fill voids and small sinkholes that threaten to undermine certain thoroughfares and buildings. This is a chronic need. |
| 6 | Infrastructure-road/urban | In Corozal Town where the highway skirts the bay create a festive waterside drive by adding a promenade linked to the boardwalk and promote investment in leisure-oriented businesses in the adjacent neighborhood. Consider traffic management measures such as detouring heavy vehicle traffic to a bypass during weekends/holidays to create a more pedestrian-friendly environment. |
| 7 | archeology | Prepare a park management plan for Santa Rita archeological site providing for improvements such as perimeter fencing, facilities for ticket sales and for the site guard, improved walkways to the structure and defined stairways to ascend it and descend, a space for events, night time illumination. The plan can include additional public property adjacent (currently a playground) and include a sustainable framework for hosting weddings and other ceremonies within the site by day and by night. |
| 8 | Archeology | At Cerros (Cerro Maya) undertake light works: install a new well for fresh water, improve a waterside site to host weddings, grant a concession to operate a simple food outlet on a seasonal basis, institute pest control measures if feasible. |
| 9 | Infrastructure-marine | Install stable public docks for regular use by water taxis and touring cruisers at points like Progresso, Copper Bank and Sarteneja where needed. |

## 4.2 Destination Chiquibul-Caracol

### *Main tourist vocation*

The main vocation of the CCC is to offer the intimate discovery of the deep jungle flora & fauna with its stories of the ancient Maya, jaguars, macaws, mahogany, waterfalls and the intriguing world of vast caverns, underground rivers and Maya sites. Key products include the visit to the impressive Maya site of Caracol, the experience of the rainforest and the plant and animal life found within it, and numerous recreational choices for high adventure or low-key enjoyment of the trails, creeks and caves found in the zone.

Cultural tourists and ecotourists of all ages are to be targeted and make up the bulk of the market. Soft adventure fans participating in a variety of challenging sports are also a major market, followed by hard adventure enthusiasts of caving and overland trekking. Many of the tourists will arrive from dive destinations offshore, and others from Mayan Trail destinations in Mexico’s Yucatan or Guatemala’s Petén.

## *Tourism potential of each key product*

*The cultural product*

The key products reviewed in this section include the cultural product, the ecotourism one and the hard and soft adventure products. Caracol is the focus of the cultural product. By improving its access and accentuating the unusual and unique the cultural product can tap its major potential to expand the visitor volume well over the current level of 6,700 per year[10]. Several key factors will contribute to achieving this: the paving of the entire Chiquibul Road, the offer of a calendar of cultural events and commemorations at the Caracol site in its expanding role as national symbol, the offer of new ecotourism experiences in Chiquibul forest and in MPR along the route and the readiness of the travel trade to gear up with sufficient transport and guides to make this possible. Once the paving of the road is completed and with good management of conditions all along the Chiquibul Road, Caracol would be on track to reach the 100,000 mark of yearly overnight visitors within a 3 to 5 year time frame. This would be possible without any major contingent of cruise excursions. Simply put, Caracol would become the capstone of the proposed Chiquibul-Caracol touring corridor serving as its anchor attraction.

The cultural product could become more multi-faceted and gain more appeal in a few years once the gateway visitor center at Augustine in MPR were to open, and also once Kabal cave gateway opens its access road and visitor center deep in the Chiquibul forest a short drive from Caracol.

This combination of factors will result in additive effects, with tourists extending their stays in Cayo, and with new tourists arriving to Cayo. With the Caracol site fully presented, Belize would be better able to generate more cultural tourism between Cayo and Tikal along the Mayan Trail. English being the native language, the Belizeans firstly can do a better job than its Spanish-speaking neighbors with interpretive content posted at sites and museums and secondly it can more easily develop a corps of well-spoken tour guides.

*The ecotourism product*

The ecotourism product would be focused more on MPR with its easy road accessibility and many points of interest already in use. The Caracol park once it sets up some walking loops and eventually a lodge would then be equipped for very limited ecotourism activity enabling some visitors to overnight and extend their stays. Similarly once Chiquibul can set up a trail network for regular public use especially if it leads to the Kabal cave entrance, its appeal for ecotourists will increase substantially. The introduction of hiking trails, campgrounds and ultimately park lodges will equip Chiquibul to establish itself as an ecotourism destination and generate the needed additive effect.

*The soft and hard adventure products*

The soft and hard adventure products would be focused on the locations already in use in MPR per its existing offer of experiences and straightforward development potential. Existing activities could be

[10] At Guatemala's Tikal National Park foreign arrivals reached 109,000 in 2008.

better supported to handle growing usage on a more sustainable basis. Two potential activities of hard adventure include overland trekking expeditions and cave explorer or spelunkers. Once a trail through Chiquibul forest is prepared to extend southward to San Jose Hawiia in Toledo, programs for overland trekking can be launched. Similarly once Kabal cave gets it access road and research base, cave exploration teams and sport cavers can be given access. The FCD has already established relationships for this purpose with entities in the US.

### *Needs for enhancement of attractions*

The needs are many and this section identifies the essential ones that would enable visitors from all the segments identified to easily reach and enjoy specific areas holding interest for them. Cultural tourists will need interpretive content at each attraction on their unique significance and meaning. Adventure tourists will need venues designed to provide the challenging activities that they seek with a good level of safety. The following text covers the needs for both of these targeted groups at Caracol, Chiquibul and at MPR. Some of the enhancements relate to priority infrastructure proposals cited at the end of this chapter and are annotated accordingly.

*Enhancements at Caracol*

Caracol has the tour guides and a small interpretive center that has been improved over the years with intermittent refurbishments. To better meet the needs of cultural tourists here are various proposals for Caracol. The first three of them deal with accessibility needs.

1. Introduce changes in the escorted convoy system to provide more flexibility for visitors and making possible a longer visit time at the archeological site. (infrastructure list item 1)
2. Provide the public with trouble-free road access in all seasons free of stoppages and closures by paving the full length of the Chiquibul Road.
3. Design an innovative concession to manage the Chiquibul Road from MPR to Caracol as one road, to provide good maintenance and granting authority to introduce a toll system for all users. (infrastructure list items 1)
4. As part of the full paving of the road, undertake light improvements to make a touring parkway to include features like clear signage, pavement striping, a scenic overlook, a cycling path and picnic tables for example. (infrastructure list items 2)
5. Provide smaller experiences to absorb and enjoy the jungle like walking loops and cycling paths to see curiosities deep in the forest (stelae, ceiba trees) with bird watching stops. (infrastructure list item 3)
6. Build a park lodge or rest house with a restaurant and guest rooms to make possible night walks, bird watching at dawn and photo safaris for a fuller appreciation of the beauty of the site. (infrastructure list item 4)

*Enhancements at Chiquibul*

Possible enhancements at Chiquibul National Park and Forest Reserve follow below.

7. Open a road to the Kabal cavern entrance, establish a base for researchers, add a campground and visitor center once the first section of the cavern is excavated and prepared for visitors. Establish a site specific guide license for escorting visitors into Kabal cavern, similar to the one for ATM cave. (infrastructure list item 5)
8. Open trails connecting Kabal to Espinejo del Diablo, Caracol, another to the natural arch. (infrastructure list item 6)
9. Establish an interpretive center for Chiquibul with content about all key aspects (flora, fauna, geology, archeology, the chicle boom, the region's 4 cave networks and subterranean rivers etc.). Consider locating it at MPR's Augustine village to gain maximum visitation. (infrastructure list item 7)

*Enhancements at MPR*

Enhancements recommended at MPR follow below.

10. Provide an all-purpose park-themed village at Augustine supporting the recreational and tourist needs of all user groups for information, facilitation of visits and logistics. Make it well outfitted to serve the public as the gateway village for MPR and the touring corridor also serving Chiquibul forest and Caracol. (infrastructure list item 9)
11. Build a park lodge or adapt existing structures at Augustine to provide accommodation to tour groups, and to research and educational groups. In the specifications include style features and finishings reflecting local woods and craftsmanship in the tradition of park lodges in North America. (infrastructure list item 8)
12. Repair and upgrade the condition of key recreational spots getting heavy use like Rio Frio Cave, Rio On Pools or 1000 Foot Falls as to roads, parking and walkways to improve their accessibility and safety during rainy season. (infrastructure list item 10)
13. Grant concessions for selected soft adventure and hard adventure activities like mountain biking and overland trekking to operate the designated trails safely and conduct marketing efforts to expand usage. (infrastructure list item 11)

Two additional proposals are listed to enhance the quality of customer service by the personnel at all three areas.

14. To provide better service within this touring corridor, foresters, rangers and wardens appointed to manage the visitor centers and attractions along this corridor can receive training in Spanish language basics, first aid, emergency evacuation, hospitality skills, security and other relevant skills. Each will be identified by an armband, patch or other identifier symbolizing the pride they take in representing the Chiquibul-Caracol Complex to all visitors.
15. Create a special corps of tourism police to patrol the Chiquibul-Caracol corridor to maintain safe conditions 24 hours for all users and provide roadside assistance.

### *Needs for Private Sector engagement*

There are many services that private parties could be contracted to provide in these protected areas and the regulations of the Forestry Department and Institute for Archeology provide for the negotiation of

PPPs to establish concessions for this purpose. Many of these proposals are also related to priority infrastructure proposals listed at the end of this chapter.

- The operation and upkeep of the 20-mile long Chiquibul Road from the MPR-Elijio Panti National Park line to Caracol could be entrusted to a concessionaire to manage it as a parkway for touring and recreation. The operator would have to take steps to accommodate the logging and mining traffic compatibly with the visitor traffic.
- At Caracol, a concessionaire could build and operate a park lodge and also maintain a public space where cultural activities could be held. The concession could also include the maintenance of walking loops within the park.
- Within Chiquibul NP a concessionaire could build and operate a visitors center to form part of the Kabal Cave System Gateway, with its access road and trails.
- A Mesoamerican Cave System Interpretation Center can be built as the museum for the entire underground network with its 4 subsystems. It could be located in Chiquibul or at MPR's Augustine base.
- Arrange concessions to set up park lodges at choice sites such as at Augustine, at a site overlooking the Guacamallo Bridge, or on the road to the Kabal Cave System Gateway.
- MPR can create a headquarters village at Augustine's D'Silva base and cluster a number of visitor services there to be provided under concessions. These could include a convenience store, restaurant, outfitters shop, gasoline station and visitors center.
- Within MPR concession holders could provide soft adventure activities on designated trails and tracts of land for them to manage.

*A Chiquibul-Caracol Heritage Park PPP*

An additional PPP could be established to provide visionary and unified management of the entire touring corridor, shielded from politics and featuring incentives to promote and operate it efficiently. It could brand the corridor as the *Chiquibul-Caracol Heritage Park* and operate a combined gateway visitors center with museum/interpretation center at Augustine, an ideal location in the heart of MPR. It could also take on the responsibility for operating Chiquibul Road as a parkway. A major benefit from the standpoint of market need, is the simplicity of promoting one resonating theme to the public, rather than MPR, Chiquibul Forest Reserve, Chiquibul National Park and Caracol Archeological Reserve. With a unified management, the operator perhaps would facilitate successful completion of the different works recommended in this chapter for product development. The PPP would not replace or reduce the power of the Forestry Department or Institute of Archeology but instead facilitate their interactions with the business community interested in applying for the various concessions, with service providers operating the tours, and with the general public.

### *Institutional strengthening needs*

To strengthen the tour operators of Belize selling the Cayo area, improved skills in designing and marketing the Maya World, ridge to reef, surf and turf combo packages will serve them in boosting sales for Cayo. This is recommended since Cayo needs the reef/beach product, and also needs Tikal more than they need Cayo. This training will help the Belize tour operators create stronger relationships with foreign partners, master the tools of e-marketing and booking platforms, and sell well priced packages directly to the traveling public bypassing the foreign tour operators inasmuch as possible. It should help them also strengthen Belize's share of Maya Trail tourism in the region with its improving international air links and the arrival of a functionally very upgraded Caracol touring experience as the newest must-see anchor site along the Mayan Trail.

### *Identification of Priority Infrastructure*

The following exhibit contains 11 proposals for improving the product that the CCC will provide. Most of them have been referenced above in the prior section on needs for enhancement of attractions.

| **Chiquibul-Caracol Complex priority infrastructure proposals** | | |
|---|---|---|
| 1 | Chiquibul+Caracol Road management | Chiquibul-Caracol road integrated management: A concession for managing traffic, the escort convoy system, and fee collections for vehicles and visitors, will be awarded for managing the entire route as to its day-to-day operation and as regards emergency and security procedures. This is to include relay communications capability ensuring along the entire length of the road reliable cell phone capability by installing 'hot spots' or other method. |
| 2 | Chiquibul+Caracol Road works | *Chiquibul-Caracol Parkway*: Add light enhancements such as roadside signage, a scenic lookout with picnic tables and parking, edge striping along the road's entire length, and parallel path for cycling. Stage a competition to select a meaningful name for this roadway as a showpiece for the nation. |
| 3 | Caracol trails | At the edge of the main group's perimeter add walking loops and cycling paths leading to curiosities deep in the forest (stelae, ceiba trees) with bird watching stops, enabling appreciation of jungle life. |
| 4 | Caracol lodging | Award a concession to build and operate a park lodge at the main site with a restaurant and guestrooms for tour groups, research teams and FITs. Equip it with good communications and meeting facilities. Have it reflect fine local woods, traditions and craftsmanship as a symbol of Belize's natural patrimony. |
| 5 | Chiquibul Road, facilities | Kabal Cave System Gateway: Build a branch road to this cave and establish a research station for investigators and visitor center with interpretation about all 4 cavern systems as to their archeology, geology and ongoing exploration. |
| 6 | Chiquibul trails | Chiquibul trails: Adapt old logging, chiclero paths and railroad tracks to create themed trails for deep forest discovery of topics such as jaguar and scarlet macaw habitat, mahogany logging and the chiclero boom. Sectors will be adapted for specialized uses such as hikers, horseback riders, or electric cart users. Link Espinejo del Diablo near Kabal to Caracol to make hiking possible between these two attractions. A southern 35 mile trail over the Maya Mountain range into Toledo will be added for use by overland trekking expeditions. |

| | | |
|---|---|---|
| 7 | Chiquibul interpretation | Meso-American Cave System Interpretive center: Providing content on the entire system and its 4 subsystems, their geology, and the archeology contained in them. This center could be located in Chiquibul or alternatively at MPR Augustine base to form a cluster of visitor facilities. |
| 8 | Chiquibul-MPR lodging | MPR-Chiquibul lodging: Offer choice sites for park lodge development on concession terms at Augustine, and overlooking the Guacamallo river or scenic area. One site can be on the branch road to Kabal Cave System Gateway. In addition offer choice sites for full service and limited service camping stations. |
| 9 | MPR interpretation | MPR Augustine Visitor Core: Per the 2008 Augustine master plan, create a headquarters village with visitors center, security station, gasoline station, convenience store, restaurant, outfitters store and open air performance spaces. Establish a science center about the Mountain Pine Ridge and Chiquibul forested areas as to their geography, flora and fauna, environmental significance and value as economic and cultural resources for the nation. |
| 10 | MPR Light works | MPR recreational facilitation: Light works will be undertaken at selected attractions away from the Augustine core such as Pinol Sands, Rio-On Pools, Rio Frio caves, 1,000 Ft Falls and Santa Maria pools. Light works are to include access roads, parking, picnic tables, safe walking paths and signage suitable for visitors of all ages arriving in vehicles of any size. |
| 11 | MPR new product | MPR hard+soft adventure: Grant a set of concessions for adventure activities like mountain biking and overnight trekking to ensure sound commercial operation and sustainable practices throughout. |

## 4.3 Destination Toledo

### *Main tourist vocation*

Toledo can position itself as one of Central America's most genuine 'ridge to reef' destinations with a variety of nature and cultural diversity easy to explore and enjoy. The inland explorer can find numerous challenging ways to enjoy its rivers, caves and mountains. The cultural tourist can learn about the Maya, Mestizos, East Indians, Garifuna and Creoles through a number of 'living culture' experiences in the villages scattered across the interior and in the coastal town of Punta Gorda.

In addition, the fly-fishermen, kayakers, divers, snorkelers, and other sports-minded visitors will find rewarding challenges in Toledo's coastal areas, wetlands and marine reserves just offshore. The seaside town of Punta Gorda with its unhurried pace will provide food, refreshment and relaxation by the sea for all the visitors to enjoy. It will emerge as a haven for in-the-know sports enthusiasts, tour groups from various countries and even NGO members and missionary parties seeking rest and relaxation.

### *Tourism potential of each key product*

*Cultural product*

The potential of the cultural product of Toledo is good in part because it has a good base of experiences to offer reflecting different cultures, a number of towns and villages in rural settings to present to visitors. Toledo also has two notable archeological sites, Lubaantun and Nim Li Punit, which are already on the radar screen of a number of tour operators and even on TripAdvisor. A factor giving an economic boost to some of the attractions is the rise of the popularity of Placencia as a destination in its own right, which has begun sending tour groups to some of these cultural attractions. Finally, upon the eventual completion in Guatemala of the connector link from Jalacte to the Petén Highway, Toledo will finally take on the function of overland gateway to Central America, which should boost cultural tourism to the district appreciably putting Toledo squarely on *La Ruta Maya*.

*Inland explorers product*

Similarly the potential for the soft adventure product that attracts the inland explorer is also quite good. It will rely on the same excursion and tour operators as the cultural segment, and demand from inland explorers should expand in tandem with cultural tourism, in consideration of the good participation rates in such activities and satisfaction scores from the Exit Survey results. Over time it is possible that more challenging and higher priced 'hard adventure' activities could be introduced such as week-long overland expeditions northward over the Maya Mountain range to Chiquibul Forest.

*Marine based product*

As for the marine based product, the sport fishing market shows good promise because of the variety of locations in rivers like Rio Grande, or lagoons like Punta Ycacos, or the close in Port Honduras Marine Reserve. These are accessible from the hotels by launch within an acceptable journey time usually under an hour. Sport fishermen make up a very small sub-segment but operators at Toledo have established a following that should grow. The dive industry potential for growth is only fair, because of the distance of the reef at Sapodilla Cayes Marine Reserve (over 30 miles), which is more easily reached from Placencia (20 miles north of it). However a segment of the dive industry will choose to base themselves in the cayes directly for their diving days and opt to reach them via Punta Gorda rather than Placencia perhaps motivated by the ridge to reef experience that Toledo offers.

The segment of marine sports lovers, can grow along with the cultural and inland explorer segments since it provides the seaside or 'reef' component to the ridge to reef experience. Its potential would be stronger if Punta Gorda or Hopeville had a more user-friendly spacious waterfront accommodating recreational activities and several operators.

## *Needs for enhancement of attractions*

*General*

Per the comments of visitors and tour operators, clear, durable road signage is needed to enable tourists and tour operators to easily navigate around the district among its many attractions. There are established signage styles in use in the USA, Europe and elsewhere and one can be selected as the model to be used for Toledo's roads. This would make wayfinding easier for people of all nationalities. (item 12 in infrastructure exhibit below)

Another item of tourism infrastructure would be a tourist information station at the Dump intersection of the Southern Highway with the San Antonio Road where the flow of new traffic from Guatemala will emerge. It must turn at this junction either north for points to the north in Belize, or south to head to

Punta Gorda. It would ideally be located in a major service station or store with a large sign to identify it (item 13 on the infrastructure list)

In preparation for the completion of the road from Guatemala, hospitality training can be provided in visitor orientation, Spanish language basics, first aid, emergency preparedness and credit card usage. This training can be provided for shop keepers, restaurant and B&B operators, taxi drivers, in Punta Gorda and in villages across Toledo to deal efficiently with non-English speaking visitors arriving via this new road. The villages extending along the route from Dump to Jalacte as front line service providers to the new wave of arrivals will benefit from this kind of training.

*The Punta Gorda townscape (items 1-8 on infrastructure list)*

Punta Gorda town needs a thorough reshaping of its waterfront area if it wishes to emerge as a functional and enjoyable gateway to all Toledo has to offer, and anchor for the ridge to reef experience. A variety of steps can be taken to reorient the direction of the town's development and improve its ability to function as a welcoming tourist center by the sea. Some proposals follow below. Some also relate to the neighboring town of Hopeville because it has substantial frontage on the gulf which could be put to use in the long term as a resource for tourism as well.

*Possible tourist attractions (numbers refer to items in the infrastructure exhibit at the end of this chapter)*

1. A tourist pier serving as a staging point for water traffic and also as a symbol of Punta Gorda's new positioning on the tourist map.
2. A visitors center can be located on or near the tourist pier and serve as a focal point for tourist activity.
3. A House of Culture can be established in a distinguished old building in the city center to offer cultural events and exhibits.
4. A number of old buildings in the town's center could be carefully adapted to house businesses while adding to the town's heritage value and visual interest.

Other urban measures to consider

5. Undertake shoreline stabilization measures where threats to structures or thoroughfares have developed particularly in Punta Gorda's town center.
6. Prepare a plan for the reworking and embellishment of Punta Gorda's town center along the waterfront.
7. Replan the Hopeville waterfront zone and evaluate if the Southern Highway can be relocated to create a new waterfront neighborhood for residential and tourist developments.
8. Prepare a Punta Gorda-Hopeville urban redevelopment plan to lay the framework for the long term evolution of these two towns into successful resort towns.

*Cultural attractions (items 10 and 11)*

Toledo's foremost archeological sites, Lubaantun and Nim Li Punit, are very presentable as they are, and appear to be able to accommodate far larger visitor volumes sustainably than at present. However, the road access to Lubaantun can be problematic in rainy season, when in the worst cases tour busses and smaller vehicles cannot make the trip and must drop this attraction. This makes trip planning for visitors on schedules, whether stayover tourists or cruise tourists, very difficult. An all-weather surface treatment or paving of this vital link is essential if Toledo wishes to promote its cultural attractions during the entire rainy season as well. The Columbia Road which takes visitors from the San Antonio Road to Lubaantun Road, may also require improvement to ensure safe all season use. (item 11 on the infrastructure list below)

As regards Nim Li Punit, there has been the recent identification of a jade pendant from this site that may arouse increased public interest in the site. A special exhibit of this discovery and related artifacts could be installed in the visitors center (perhaps with replicas) to update its content for the public. (see item 10 on the infrastructure list below)

*Natural/rural attractions (item 14 on infrastructure list)*

Of strong appeal to the inland explorer and active cultural tourist would be a posted trail passing through scenic rural areas and connecting some villages and protected areas enabling hikers taking several hours or several days to enjoy various natural and cultural attractions at their own pace. This would support community based tourism directly and connect hikers with camps or other types of lodging already provided in various protected areas. (see item 14 on infrastructure list)

*The marine protected areas (items 15 and 16 on infrastructure list)*

In the Port Honduras Marine Reserve and also Paynes Creek National Park sportsmen and women can spend most of a day partaking in their activities without access to any 'rest stops' to use toilets, get food and refreshment and stretch their legs on terra firma while pausing to relax. Some ranger outposts can fulfill this need but often their facilities are not up to standard and their work duties may keep them unavailable to host visitors. A concession could be granted to private operators to operate rest stops, initially one in each area, at least in the high season. They could feature innovations of sustainability in their foodservice and waste management arrangements. Camping space could be provided as well as is done in some other Caribbean destinations. The purpose would be to stimulate more marine sports lovers to extend their stays in these beautiful but remote environments. (see item 15 on infrastructure list below)

With respect to the agency staff posted within these areas, a form of hospitality training adapted to the marine environment could be arranged for employees in the Port Honduras, Payne's Creek and Sapodilla Cayes protected areas. It would have a particular emphasis on emergency preparedness, medical evacuation and safety skills to become more relevant as growing numbers of sports minded tourists visit these areas. Such training can also include service providers based at Monkey River and Punta Negra.

The vicinity called Punta Negra is isolated, idyllic and very convenient to both Paynes Creek NP and Port Honduras Marine Reserve. It represents a unusual opportunity in which private businesses can be set up to cater to the needs of fishermen and water sports enthusiasts passing nearby as they visit these areas which don't have restaurants or visitor conveniences. This is private land that investors could use to set up environmentally sensitive restaurants and guest houses and camp grounds catering to the visitors pursuing these sports activities. TIDE or other local entity could prepare a schematic plan to guide future private investment of this kind that is environmentally sensitive and compatible with the purpose of the two adjacent protected lands. (see item 16 on the infrastructure list)

### *Needs for Private Sector engagement*

Toledo's tourist industry can now rely on its local BTIA chapter, its guide association, its local tourism committee and the industry non-profit TIDE institute to serve as industry stewards and engage the relevant professions as different needs arise to provide them with support. One area of need is training for different trades to operate more efficiently and to get access to finance sources that will underpin capital investments. The case for supporting two trades with such assistance, operating excursions and inn-keeping, is explained below.

The volume of excursions and tours is on the rise in Toledo and has a favorable outlook. The BTIA could partner with BTB to strengthen the businesses running excursions to do a better job of packaging them, pricing them and marketing them. These operators in Toledo number 13 per industry records. As is the case in Corozal, these are micro businesses that need training to produce better quality excursions and to establish fair prices for them matching the expectations of their target markets. They also need training to negotiate from a stronger position with tour operators aiming to assert their power and secure cut rate fees from them. It is probable that more tour operators from Belize City, from Placencia and soon from Guatemala will see opportunity in Toledo in the short to mid-term so strengthening the overall skills of local providers of excursions should prove beneficial. This will help them establish durable and beneficial business partnerships.

BTIA (perhaps with the partner tour operator association BNTOA) could also advise the excursion operators as well as hotel owners, on the techniques of formulating inclusive tour packages[11] to be sold internationally, and on the pricing and marketing of them to target markets. This involves more risk and more reward, so this kind of orientation will help them determine if it is a field they wish to enter if tourism to Toledo gains sufficient momentum.

Another field needing support is small scale lodging, in the form of B&Bs, villager inns and guest houses located in all parts of the district. To raise their quality of service they can use orientation in defining their target markets, in quality standards, bookkeeping and pricing, and in the various marketing channels to rely on for bookings. It would include training on the tools made available in the world of social media and e-marketing. This applies to establishments in Punta Gorda and everywhere else in the district.

[11] Inclusive tour packages are generally multiple days in duration and include travel segments with inter-city transport between multiple stops as opposed to excursions which are one or two days in duration. IT packages involve more financial risk.

With respect to possible PPPs there are four possibilities to consider in Toledo to improve the tourist product in different locations around the district.

- Tourist pier in Punta Gorda: It would become a focal amenity symbolizing the tourist vocation of the town and serve boat operators, tourists, and water taxi services. The base of the pier could have ticket booths to sell excursions, provide tourist information and also have a snack bar or restaurant. (infrastructure proposal 1)
- Satellite visitor information post at Dump junction: An information post can be located in a business to serve tourists arriving on the Southern Highway from points north and from Guatemala. (infrastructure proposal 13)
- West Toledo walking trail: A cooperative of villagers in west Toledo could set up a trail similar to the Big Falls Adventure Trails to host walkers and hikers exploring the region which has Uxbenka Archeological Reserve. (infrastructure proposal 14)
- Paynes Creek NP and Port Honduras MR rest stops: Arrange concessions for operation of rest stops with basic conveniences within these two areas which could include campgrounds and eco-lodges. (infrastructure proposal 15)

### *Institutional strengthening needs*

Toledo's tourism is facing the favorable prospect of growth opportunities related to the appeal of the ridge to reef product, the ongoing rise of Placencia as a destination, and the expected opening of the highway link into Guatemala. The industry's trade associations can prepare their memberships to cope better with the changing landscape of the travel trade especially with the evolving online travel marketplace. As is the case with hotel operators, tour guides and tour operators in Corozal, their counterparts in Toledo will need training of different kinds to better target visitor segments and tailor their services to match their needs.

It will be ideal if the local tourism committee and municipality continue their efforts to support these trade associations in obtaining such training. In addition all need to collaborate in the broader area of good stewardship of the tourist industry to show the local and national government their will to raise quality standards, tap new markets and expand tourism.

### *Identification of Priority Infrastructure*

The following exhibit contains 16 proposals for improving the product of Toledo. Most of them have been cited above in the prior section on needs for enhancement of attractions.

| **Toledo priority infrastructure proposals** | | |
|---|---|---|
| 1 | Urban, marine facility | Create a tourist pier in/near the heart of Punta Gorda or in Hopeville serving as a central staging point for water taxis to/from other points and for tour and sporting boats using coastal or reef areas. Adopt a T or L shaped design offering small vessels some protection against rough conditions. Expansion of an existing pier is a possibility. Inclusion of a boat ramp would be ideal. Consider a concession arrangement to build and operate it. |

| | | |
|---|---|---|
| 2 | Urban, tourist facility | Open a visitors center near the tourist pier with visitor conveniences, retail shop plus exhibits explaining the wonders contained in the Port Honduras, Payne's Creek and Sapodilla Cayes protected areas and the diversity of Toledo's marine flora and fauna. Publicize Toledo's "Ridge to Reef" assets. Examine the possibility of adaptive reuse of one or more existing public buildings. |
| 3 | Urban, tourist facility | Develop a House of Culture in an available public building for cultural events, arts & crafts workshops, displaying exhibits on Toledo's history and various cutlures and receiving traveling exhibits on relevant topics. A section can relate the origins of Toledo's chocolate industry and heritage. |
| 4 | urban heritage | Provide advice and incentives to reuse old buildings in Punta Gorda's town center for leisure and tourism commercial purposes. Assess the inventory of public and private buildings in the town center and conduct investment promotion highlighting the most promising structures for tourism-related uses. |
| 5 | Urban, environmental | Along Punta Gorda's waterfront conduct shoreline stabilization measures at eroded points to address deterioration, consolidate coastal areas and create spaces for promenades and seaside parks. Same for Hopeville's waterfront where the frontage occupied by the existing Southern Highway can eventually be repurposed for recreational and resort development. |
| 6 | urban heritage | Formulate a plan to rework Punta Gorda's waterfront neighborhood to provide space for events, bazaars and community gatherings and effectively link the townscape to the sea from which it is largely shielded. Include a component of building beautification incentives emphasizing traditional architectural features and natural materials. |
| 7 | roads, urban planning | Pave the Southern Highway's shorter inland route into Punta Gorda (via New Road) shifting traffic off of the existing waterside stretch of it in Hopeville enabling a replanning of the Hopeville waterfront zone to accommodate leisure activities and a future resort zone. |
| 8 | urban | Prepare a Punta Gorda-Hopeville Urban Redevelopment Plan to set a framework for the conversion of this coastal area into an environmentally sustainable resort community and gateway to the recreational attractions found in the Gulf of Honduras. |
| 9 | Transport. security | For the twin objectives of visitor safety and security in Belizean and international waters, review existing procedures and resources as to communications, coordination among agency members, and rapid response protocols and realign and strengthen to cover needs of growing recreational use and water taxi services in the Gulf of Honduras off Toledo. |
| 10 | archeology | At the Nim Li Punit visitor center, as part of its future refurbishment, incorporate new content on the recent archeological finds of jade and other artifacts and display a full size replica of the recently found jade pendant in the collection. |
| 11 | roads | The unpaved road to Lubaantun from the San Antonio highway during rainy season can have impassible stretches making scheduling tour visits very precarious. Pave this road or provide a hard surface treatment to ensure passable conditions in rainy season. |
| 12 | roads | Transportation and tourism authorities will review road signage systems adopted in the USA, in Europe or other places to select the one best suited for phasing into the Toledo road system. |
| 13 | promotion | Establish as a concession a visitor information post at a business [a restaurant or gas station] located in Dump at the junction of the Southern Highway and San Antonio Road to provide directions, to offer comfort facilities and to promote Toledo's cultural and agro-tourism experiences. The new route from Guatemala will feed arriving tourist traffic (motor coaches, vans and autos) to this very junction. |
| 14 | Infrastructure-parks | A posted trail can be created along well-marked paths through villages and attractions in western Toledo to make possible a community based experience for a few hours or a few days. One trail can connect protected areas with villages that could open campgrounds and dormitory lodging for walkers and hikers. San Jose Hawiia is a candidate since the Overland trekking trailhead to Chiquibul may be located there. |

| | | |
|---|---|---|
| 15 | governance, PPP | Hold a competition to award the rights to set up and operate campsites and eco-lodges at choice locations, one each in Payne's Creek and Port Honduras protected areas serving water sports enthusiasts of all ages. Formulate clear legal terms prior to the competition. |
| 16 | investment promotion | Prepare a Punta Negra Eco-Tourism Plan to spur sensitive low-impact investment in lodging, food & beverage and sports services catering to fly fishermen and divers using the Payne's Creek and Port Honduras protected areas. |

## 4.4 Destination Caye Caulker

### *Main tourist vocation*

The main tourist vocation of Caye Caulker is that of a low cost diving and sports fishing destination with ideal access to the Mesoamerican barrier reef. Caye Caulker also welcomes all water sports enthusiasts and leisure visitors to enjoy its Caribbean island lifestyle and unspoiled nature.

### *Needs for enhancement of attractions*

The needs for the dive and sports fishermen tourists appear to be adequately met so this analysis will focus on the needs of sports minded tourists and general leisure visitors. Two proposals are described below followed by a related need.

*A public beach*

A public beach is proposed to enhance the experience of all segments visiting Caye Caulker. It would be located on Caye Caulker and have at least 400-500 feet of frontage on the sea or on a lagoon, and be operated by a concession holder. Services offered: toilets and showers, beach chairs and umbrellas, space for volleyball, Frisbee and other light sports, food vendors, a kiddies section, life guard surveillance and first aid. Yoga, zumba and aerobics classes could also be offered and as such it would function as an open air health club. If space allows, one or two cafes could be given land leases on the fringe or arranged as sub concessions. At some times of the year small carnivals or festivals could be held to add cultural interest to the village's offer. This proposal is intended to enliven the stays especially of non-divers and fishermen visiting the caye. The responses from the Exit Survey appearing above attest to the strong interest the tourists have in enjoying beaches and discovering local cuisine, and sampling the culture in different ways. (priority infrastructure list item 1)

*A nature park*

An additional enhancement is a nature park on the north island. Covering several acres on land and water, it would offer a much quieter experience in tone, have sandy paths and some boardwalks or decks to stroll along or cycle on, picnic tables and a wooden observation tower to view wildlife. It could also have a swimming and snorkeling area, and another with kayaking and canoe tours through the mangrove. Visitors could spend half a day of exercise in this peaceful, natural setting, quite unlike Caye Caulker. Since much of the land on the north island is privately owned, a land use plan with delineation of properties and rights would be agreed to avoid incompatible development. In many countries the mixing of natural areas with privately owned ones has been accomplished to the benefit all land owners which is where the land use plan can be critical. It may be possible for this facility to be developed in the Caye Caulker Forest Reserve. (priority infrastructure list item 2)

The average length of stay of 4.8 days is a relatively short one and the intent in proposing these two facilities is firstly to expand the party size with divers and fishermen as repeat visitors bringing along more friends and family. Secondly it is to extend the length of stay by providing a larger variety of sport and recreational activities. On a typical day there are 435 sports enthusiasts and leisure visitors staying in Caye Caulker and potentially double that number in San Pedro, so both of these amenities are designed to provide them with healthy choices and to fill unmet recreational needs.

With respect to the needs of a more general nature, the Exit Survey generated data on visitor perceptions about ten features characterizing each destination, and their needs for improvement. It is worth noting that in the case of Caye Caulker, only one feature got a substantial “needing improvement” response higher than 20% and that was “State of general maintenance & environmental quality of beaches, coasts, and sea for carrying out activities such as sunbathing, sailing, fishing, etc.” which got a 30% response. This suggests a substandard situation that is affecting visitor perceptions.

### *Needs for Private Sector engagement*

In the case of the public beach operation on Caye Caulker, because it involves different components such as foodservice, beach maintenance, café operation, and sports operations, the legal framework needs to be carefully prepared to produce a set of concessions that are well designed and are mutually supportive. If there is space available for occasional carnivals or festivals these would provide additional entertainment adding further interest for visitors. A private sector entity or a non-profit could be awarded this concession.

In the case of the nature park proposed on the north island, either a non-profit or private entity could get the award. There is precedent in Belize for both of these possibilities. If this park is successful it might draw visitors on excursions from San Pedro as well.

### *Identification of Priority Infrastructure*

The following exhibit contains the 2 proposals for improving the product that the Caye Caulker will provide. Both of them have been referenced above in the prior section on needs for enhancement of attractions.

| Caye Caulker priority infrastructure proposals | | |
|---|---|---|
| 1 | Recreational concession | Arrange a set of concessions to operate a public beach easily accessible from Caye Caulker village on foot or by electric cart for general reacreational use and light water sports with space for food and beverage and other offerings. Provide space for bazaars and festivals to build up interest in the off-peak months and make the island more family-friendly. |
| 2 | Recreational concession | Arrange a concession to manage a designated nature park on the north island and provide a range of recreational and wetland discovery activities such as canoeing and kayaking for mangrove exploration, bird walks, photo safaris, bicycle rentals and possibly glass-bottom boat touring. Swimming and picknicking can be offered in specially designated areas. Provide sandy trails for walking and bicycling. One possbility is to locate this park within the Caye Caulker Forest Reserve. |

## 4.5 Potential National / sector-wide interventions

A handful of interventions are shown below that will improve the quality of services to be provided in and around protected areas, both land based and marine ones, so that tourist services provided inside them can be defined from the start on a solid legal, financial and business foundation. A number of countries including Belize's two top source markets, the US and Canada, operate park systems up to a high standard and can arrange for technical assistance for the Forestry Department, Institute for Archeology and concerned NGOs.

The proposal on tour packaging fundamentals is for the benefit of tour operators intending to target foreign visitor segments. The road signage proposal could be included in a transportation program and instituted in phases to eventually cover the country's entire road system.

| National/sector-wide interventions | | |
|---|---|---|
| type of intervention | segments supported | national / sector-wide |
| governance | all | **Successful concessions:** Support the Forestry Department, Friends of Conservation and Development and Instate for Archeology in updating their legal capabilities to establish successful and enduring concessions for various tourism and recreational services within their territories of responsibility, both marine and terrestrial. The purpose is to provide for high quality services up to international standards rewarding for all parties. |
| governance | all | **Income-raising mechanisms:** A second area of technical support for these same institutions will focus on the introduction of various fee structures for visitors, their vehicles and for commercial vehicles entering these areas, to improve their financial viability and sustainability. |
| capacity building | all | **Tour packaging fundamentals**: Via the BTB and industry associations BNTOA, BHA and BTIA conduct training in latest trends in formulation of tour packages, pricing and dealing with seasonality as observed in the Caribbean and Central American marketplace. |
| governance | all | **Road signage**: Transportation and tourism authorities will review road signage systems adopted in the USA, in Europe or other places to select the one best suited for phasing into the Belize road system. |
| product development | adventure travel | **Soft and hard adventure fundamentals:** Reflecting BTB's product development function, an officer can specialize in the issues related to the offering of soft adventure and hard adventure activities in protected areas as regards commercial viability and competition, the safety framework, environmental sustainability, characteristics of user segments and compatibility with the purpose of protected areas. Both the officials as well as entrepreneurs need guidance on the full implications of such activities and on reasonable concession arrangements. |

## Annex - Technical note on Potential/latent demand

A survey of in country visitors can be used to predict the positive visitor impact of an envisioned tourism development program if we employ the concept of *latent demand*. Latent demand is that demand that exists were it not for the negative impact of weak promotion, weak tourism product breadth and weak accessibility. The surveys do well to measure how travel to each destination has been negatively impacted in this way. (See Survey Questions xxB-1). Theoretically, if one removes these hindrances – by improving promotion, by improving tourism product breadth, and by improving accessibility, there is no longer an impediment to travel. What one arrives at using this logic is a common market forecast measure used across multiple marketplaces. It is the concept of Total Available Market, or TAM (or Total Addressable Market).

In the calculations of potential demand for each destination presented in Chapter 2, TAM is the Potential pool of New Leisure Visitors. TAM however is theoretical, and no industry player or in our case – no country - ever achieves 100% TAM. What they can achieve is the Serviceable Available Market, or SAM. SAM is some percent of TAM that can be realized through improvements and investments. The degree to which TAM can be realized is – in our calculations – the Realization Factors.

Realization factors are tricky to estimate. The most practical – and most accurate - method for justifying a realization factor is via comparables. That is, to apply a realization factor that has been selected based on the range of results as measured by *objective, quantitative time series tourism impact assessments* from comparable investment programs that reveals the actual gain achieved. (By knowing the gain of other investments, we can reverse engineer a suitable realization factor). A less practical, but more direct justification basis would come from a *product concept test* survey of potential new visitors to Belize (never visited) where conjoint questions are employed using two sets of tourism products (the control set being the pre-investment range of tourism product in Belize and the experimental set being the post-investment range of tourism product). An analysis of the delta between the two sets of results provides an objective, quantitative estimate of the change in tourism product consumption and the net gain to the country. Alas, the quantitative data available for this analysis does not include either basis of justification (the available quantitative data sets do not even go so far as to include non-visitors to Belize), so another method must be employed.

We can find some qualitative justification for the 5.0% realization factor in the data related to hindrances. Consider, what percentage of the non-visit reasoning is related to product alone? In the Corozal case, the 3.9% and the 0.8% are highly correlated to product, while the 42.6% is not highly correlated. Though no quantifiable means are available for determining the selected 5%, in the expert opinion of the analysts, this is a conservative, appropriate measure. (Note: A comparison of this factor with the bank's internal data on gains could improve the confidence in this realization factor.)