

# **THE CONTRIBUTION OF YACHTING TO DEVELOPMENT IN THE EASTERN CARIBBEAN**

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## ***GRENADA, CARRIACOU AND PETITE MARTINIQUE: THE YACHTING SECTOR***



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# **GRENADA, CARRIACOU AND PETITE MARTINIQUE**

## **The Yachting Sector**

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## **1.0 INTRODUCTION AND COUNTRY BACKGROUND**

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### **1.1 Context and scope of study**

The study on yachting in Grenada, Carriacou and Petite Martinique forms part of a subregional project entitled “Development of a Subregional Marine-Based Tourism Strategy”. The project, which is funded by the Government of the Netherlands, is focused on sustainable yachting tourism in the Eastern Caribbean and is expected to be implemented over a two-year period.

There are three major components of the project. The first includes national case studies on the development of yachting and its socio-economic and environmental impacts. National studies have been done for Antigua and Barbuda, Saint Lucia, St. Maarten, Saint Vincent and the Grenadines, the British Virgin Islands and Trinidad and Tobago.

The second component will focus on subregional linkages and interdependencies of the yachting industry. The third element of the project will be the development of a subregional strategy and action plan for yachting, which will be discussed at a regional meeting in December 2002.

The study is structured around the following main headings:

- Country background
- Description of the yachting sector
- Yachting in the national sustainable development framework
- Employment aspect of the sector
- Socio-economic aspects
- Government and private sector policies
- Problems and structural weaknesses facing the industry

### **1.2 Country background**

#### ***1.2.1 Physical and environmental features***

The tri-island State of Grenada, Carriacou and Petite Martinique is located between latitude 11° 58.6' to 12° 33' N and longitude 61° 22' to 61° 48' W. Carriacou and Petite Martinique are part of the Grenadines chain of islands, with the latter being about one-half nautical miles south of Petite Saint Vincent (PSV) of Saint Vincent and the Grenadines. The geographic closeness of Petite Martinique and Carriacou to the Saint Vincent Grenadines islands of PSV, Palm Island, Union Island and Tobago Cays enhances the attraction for sailing in the area and provides enormous scope for collaboration between both countries in the development of yachting activities.

**Figure 1.1: Location: Grenada, Carriacou and Petite Martinique**



Grenada is 14 nautical miles south of Carriacou and can be considered the southern gateway to the immensely popular Grenadines islands. While the country is referred to as a tri-island State, smaller and uninhabited islands, such as Isle de Ronde, Frigate Island and Sandy Island, are important physical, ecological and visual components of the sailing environment which combine with tradition and culture to attract sailors.

Grenada itself is blessed with an indented southern coastline of protected bays, from St. George's on the west coast to St. David's on the southeast coast. Excellent protection enjoyed by these anchorages accounts for the concentration of the majority of the country's yachting infrastructure (marinas, boatyards) and related services. The protected bays also provide outstanding and picturesque anchorages that are attractive to long stay or live-aboard yacht persons.

The total land mass of the country is 344 sq. km (133 sq. miles) and the population in 2000 was 101,607 persons. Of this, Carriacou's population is 5,700 persons and its land mass 13 sq. miles. An official designation of a 12-nautical mile territorial limit has been made but the proximity of Petite Martinique and Carriacou to the Saint Vincent Grenadines requires equidistant sharing of the ownership of water space and cruising grounds among the two countries where the 12-mile limit overlaps.

### ***1.2.2. Culture and tradition***

The tri-island State has a rich boating tradition. Carriacou can be considered the epi-center of a boating culture that has produced numerous master boat builders. Cargo and fishing boats (vessels with decks often referred to as workboats) are still being built in the country. So, too, are smaller open boats which are very often used as water taxis and for other recreational purposes. Various types of these open boats are now built solely for racing in the traditional sailing regattas and the conventional yacht festivals or races. The sea faring culture is a major reason why Grenada has been and continues to be a major yachting destination in the region.

### ***1.2.3. Economic and social aspects***

Facts produced by the Grenada Industrial Development Corporation (GIDC) are used here to provide an overview of the size and performance of the country's economy. GDP grew in absolute terms by EC\$198.4 million (28%) between 1997 and 2000 for an average annual rate of over 6%. A significant 17.9% of GDP was contributed by government services in 1997. Government remains the largest contributor to GDP, although that figure has been reduced gradually every year since 1997 to 16.4% in 2000.

Tourism's contribution to GDP grew moderately from 8.86% in 1997 to 9.03% in 2000. Other major contributors to GDP in 2000 include transport (15.13%), construction (10.36%), communication (8.23%) and manufacturing (7.62%). The contribution of the yachting sector to GDP is not accounted for separately and is assumed to be included in the amount attributed to tourism.

A similar failure to take into account yachting's contribution occurs in the estimates of visitor expenditure. It is understood that the data is available to disaggregate yacht spending by yacht passengers and crew. This would allow for ready comparisons of the relative contributions of tourism subsectors and should be considered a requirement critical to planning, policy development and resource allocation for the yachting sector. The three categories used by the GIDC in its publication, *Invest Grenada*, to summarize visitor expenditure are stay-over visitors, cruise ship passengers and excursionists.

In 1996 total visitor expenditure was estimated to be EC\$161.06 million and in 2000 EC\$189.2 million. Stay-over visitors contributed 91.2% of visitor expenditure in 1996, compared to 8.3% for cruise-ship passengers and 0.5% for excursionists. In 2000 the respective contributions to total visitor expenditure were 95.1 % for stay-over visitors, 4.7% for cruise-ship passengers and 0.2% for excursionists.

## 2.0 DESCRIPTION OF THE YACHTING SECTOR

### 2.1 Historical growth of the industry

Grenada has always been an excellent sailing destination since the era of the buccaneers. Its location 12 40 degrees south, places the island well out of the normal hurricane belt. The Grenada yachting industry in 1983 caught the attention of major charter operations, however, due to a lack of interest from public authorities the island lost its competitive advantage to Saint Lucia and Saint Vincent and the Grenadines. Despite that, the island has always been a favorite for yachts cruising the islands south from Martinique. From a low point of 2135 calls in 1986, traffic reached a peak of 7318 in 1991. (Master Plan for tourism sector).

**Table 2.1: Yacht calls in selected Caribbean ports 1990-1995**

COUNTRY	1990	1991	1992	1993	1994
St. Lucia	3495	3717	10070	10444	10362
Grenada	4975	7318	3373	4267	5413
Antigua	2975	3704	4203	4875	4368

During 2001 a total of 5607 yacht calls were documented by the Grenada Tourist Board and 2937 for 2002 (to September).

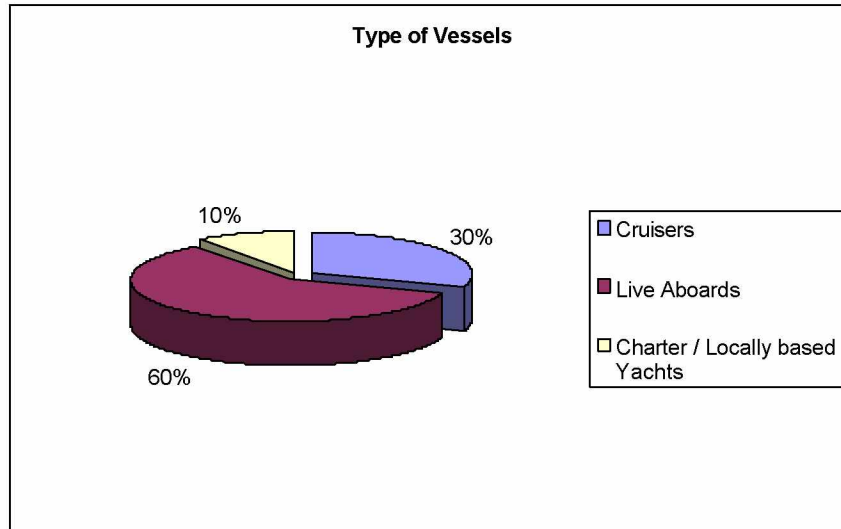
### 2.2 Structure and dynamic of the industry: Type of yachts, size of fleets

The Grenada yachting sector comprises the following categories of yachts: cruisers, live aboards, charter yachts and locally-based yachts. Most of the locally-based yachts engage in local coastal charters, or deep-sea fishing. Thirty per cent of the yachts visiting Grenada are cruisers. This category of yachts (cruisers) visits the island for provisioning, short-term repairs and the overall sailing experience. The present average stay of these yachts is 21 days.

Sixty per cent of the yachts in Grenada are liveaboards; this number is the highest in the Windward Islands due to the location of Grenada outside the critical hurricane belt within the arc of the Windward Islands. As a result of the high number of liveaboards, Grenada has developed a competitive yacht service environment, with most of the needed expertise coming from yachts persons who live on their yachts. A certain percentage of the liveaboards are also cruisers because these persons move from anchorage to anchorage engaging in services and seeking services.

The last category is that of charter yachts. Presently in Grenada there are four charter companies which offer offshore charters: Footloose Yacht Carters, Horizon Charters, The Moorings and Tradewinds Yacht Charters. Three other charter companies operate which offer coastal charters ranging from deep-sea fishing to day boat catamaran rides: Bezo Charters, Bluebeard Charters and Carib Charters.

**Figure 2.1: Pie Chart Showing Vessels by Percentage**



Grenada's yachting sector comprises: dry storage facilities, marinas, sailing festivals, boat charters, whale watching and approved insurance locations. Insurance locations, while not an actual product, but a service, have defined the level of expansion of the dry storage and marina facilities on the island and continue to add value to Grenada as a yachting destination. Since 1994 Grenada's competitive advantage strengthened based on hurricane predictions and Lloyds insurance advisory of "anything above 12 degrees North". This helped Grenada as a yacht destination become even more popular with yachts persons wanting safe haven during the hurricane season: July to November.

### **2.3 Companies directly involved in yachting**

Several companies service the yachting sector in Grenada, most of these companies are members of the Marine and Yachting Association of Grenada (MAYAG), with a present membership of 30 different companies. (A list of companies from the boating directory appears at Annex I). Three companies operate as full service boatyards, operating four haul-out facilities. Most of the boatyards and marinas are located in the southern part of the island, and benefit from the existing land infrastructure, which service the hotels in that same area.

The Grenada Yacht Club and Blue Lagoon Real Estate Corp (formerly Grenada Yacht Services) are located in St. George's Harbor. Grenada has an expanding yacht auxiliary service sector, with companies offering services ranging from air conditioning, mechanics, sail repairs, machinists, shipwrights to yacht sales. These companies service yachts that are concentrated in the following marinas and boatyard facilities:

**a) *Tyrell Bay Yacht Haul Out***

Located in Carriacou, a small scale boatyard offering all the amenities of a boatyard, including: fuel, mini marina, do it yourself labor yard and a new environmentally friendly haul out which has a wash down catchment, ensuring that none of the toxic paints goes back into the sea. This boat yard has storage capacity for 25 yachts, with 30-ton travel lift.

**b) *Grenada Yacht Club***

This is a 46 slip Marina with 20 moorings for small speedboats, fuel facilities and bar and restaurant. The docks are concrete with a wooden deck finish. This Marina is located in St. Georges Bay and is surrounded by other touristic services with easy access to Main road, which leads to the Capital.

**c) *Blue Lagoon Real Estate Corp***

Formerly Grenada Yacht Services, Blue Lagoon Real Estate is a dilapidated marina located in St. George's Bay with 40 wooden docks and fuel services. This property has recently changed hands, the intention being the construction of a multi-million dollar marina facility.

**d) *True Blue Resort***

This is a small marina with 15 docks, offering electricity, water, and access to email and telephone services. This small marina is located just west of Prickly Bay.

**e) *Spice Island Marina and Boatyard***

This is a full service marina and boatyard facility located in Prickly Bay. The marina can accommodate a total of 35 yachts on its concrete docks, and the boatyard operates a 70-ton travel lift, with a storage capacity of 200 yachts.

**f) *Secret Harbor Ltd.***

Located in Mt. Hartman Bay, Secret Harbor is a 50-berth marina with an additional 24 moorings off the hotel all operated by The Moorings, an international charter company. There is a customs office on site along with immigration services for processing arrivals and departures.

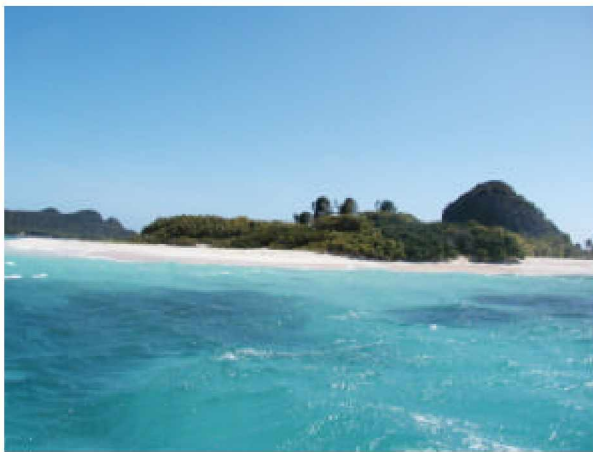
**g) *Clarkes Court Bay Marina Resort***

A small marina with 20 floating docks is located in Hog Bay.

**h) *Grenada Marine***

Located in St. David's Harbor, this facility can store 150 yachts and operates a 70-ton travel lift designed to lift catamarans. This facility adds tremendous value to the insurance advantage that Grenada as a destination holds, by being able to lift and store wide catamarans. This facility has an expanding chandlery, on-site customs and immigration along with full service boatyard.

## **2.4 Major events: Pull factors**



Grenada's calendar of events includes several sailing festivals and regattas. The island's strong fishing traditions have influenced and encouraged events, which marry sports tourism with nautical tourism. Grenada has six sailing festivals: La Source Sailing Festival, Carriacou Regatta, The Gouyave, Sauteurs, Petite Martinique and Woburn Sailing Festival.

In January there are two significant events, which attract yachts: the La Source Sailing Festival and Grenada Bill Fish Tournament.

The Sail Festival attracts a total of 35 yachts from all over the world for a week of racing and fun parties. The event lasts over five days and is centered in the district True Blue, St. Georges. The Grenada Bill Fish tournament is an annual event attracting sports fishermen from international destinations.

Carriacou/Petit Martinique Easter Regatta, a sailing regatta during the Easter weekend, is a growing attraction for liveaboards in Grenada.

In August, there are three major events. The Carriacou Regatta in early August attracts yachts engaging in friendly regatta. The Rainbow City Festival or Emancipation Day Festival, which is an arts and craft display that centers on dancing and live shows at Grenville. The yearly Carnival also takes place in August, with colorful pageantry, steel band shows and calypso and queen shows with the parade of carnival bands being the grand finale.

December ushers in the Carriacou Parang festival, which is the opening of the Christmas season in Grenada. This festival represents the blending of African and Spanish cultures, a further representation of the island's rich cultural diversity.

La Source Grenada Sailing Festival, an annual event between 31 January to 4 February is currently in its tenth year. Thirty-five to 40 boats compete, from regional and international destinations. A recent assessment done by CEPEC estimated the economic impact of this sailing event to be EC\$800,000.00. The same report reviewed the Carriacou Regatta and reported that

25 yachts participated in last year's event with an injection of EC\$170,000.00. Nonetheless, since no visitor exit surveys have been done by the Grenada Tourist Board during these key annual events, there remains limited understanding of the economic impact of La Source Sailing Festival and Carriacou Regatta.

## 2.5 Anchorages, harbors

In Grenada clearance is provided at the following ports of entry:

- The Moorings, L'Anse aux Epines
- Spice Island Marina, Prickly Bay
- Grenada Marine, St. Davids Bay
- Greenville
- In Carriacou the only port of entry is Hillsborough.



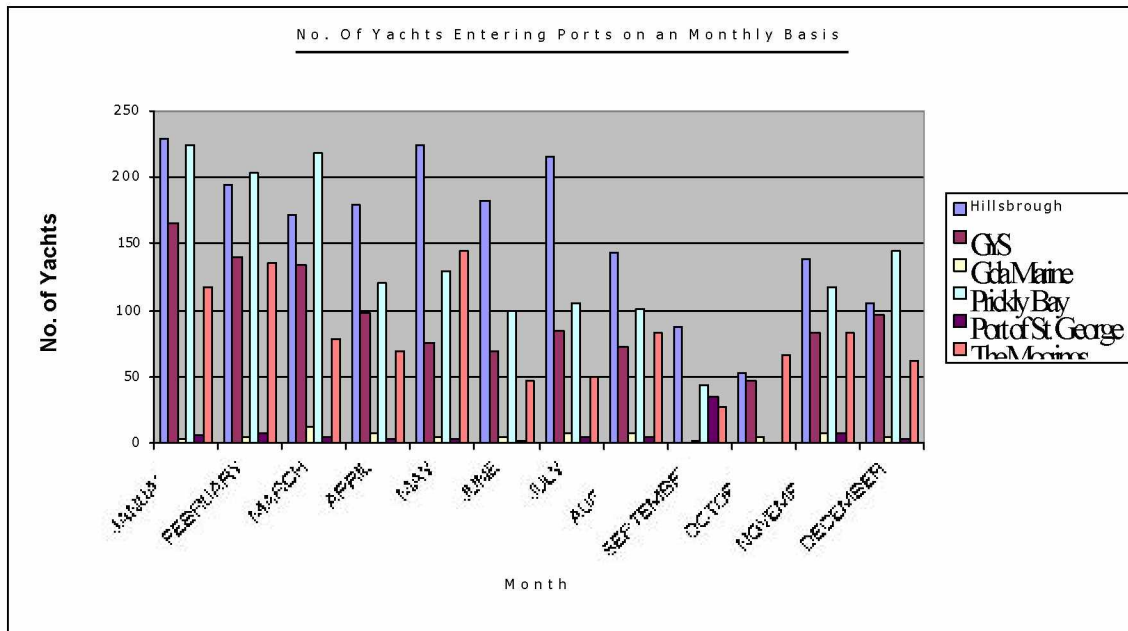
Yachts are not permitted to anchor anywhere in the Granse area, the Carenage in Grenada, or near the oyster beds in Harvey Vale in Carriacou. There is a further restriction, which prohibits yachts from anchoring within 660 feet offshore from any beach in Grenada, Carriacou and Petit Martinique.

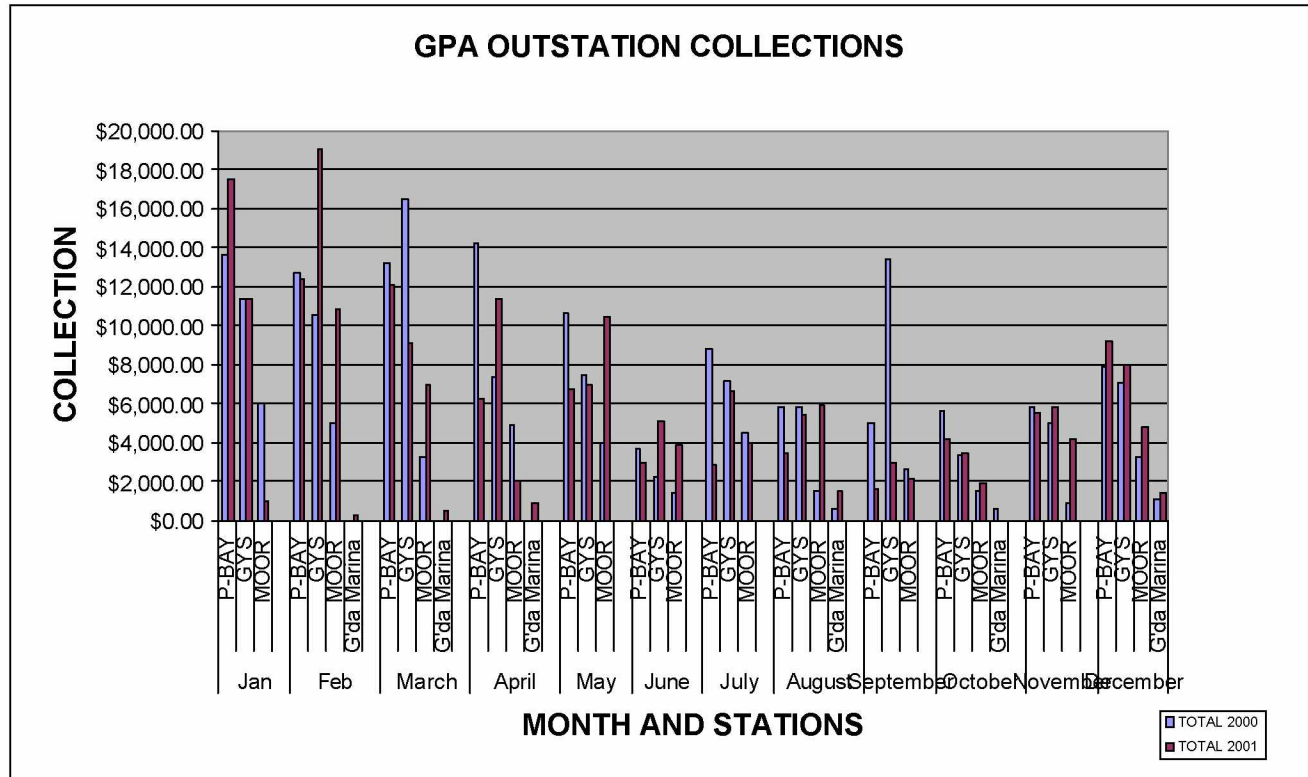
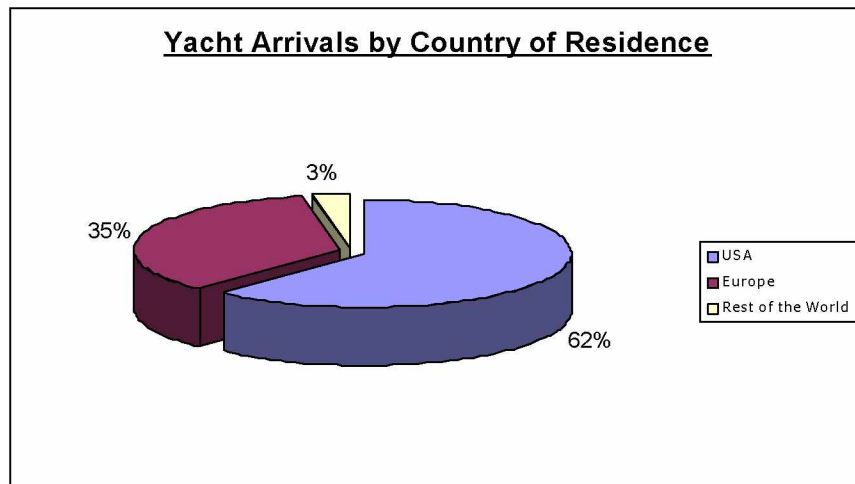
## 2.6 Patterns and levels of use

Data compiled by the Grenada Port Authority indicates clear patterns of origin for arriving yachts. Sixty two per cent of yacht visitors are from the United States, followed by 35% from Europe. The rest of the world constitutes 3%.

Data compiled by the Grenada Port Authority (GPA) show yacht clearance activity in Prickly Bay, Grenada Yacht Services, The Moorings, and Grenada Marine. There is no data on yacht arrivals for Carriacou. Hillsborough was compiled by the GPA, however, the Grenada Tourist Board has data, which suggest yacht arrivals in Carriacou, were recorded. The highest yacht arrivals (based on GPA data) were recorded at Prickly Bay and Grenada Yacht Services. Grenada Marine recorded limited activity, which may be due to the nature of its operations (boatyard facility), and the yacht clearance pattern may be specific to yachts requiring that boat yard storage service.

**Figure 2.2: Number of yachts entering Grenada by port on a monthly basis**



**Figure 2.3: GPA outstanding collections by port of call on a monthly basis****Figure 2.4: Origin of yacht arrivals**

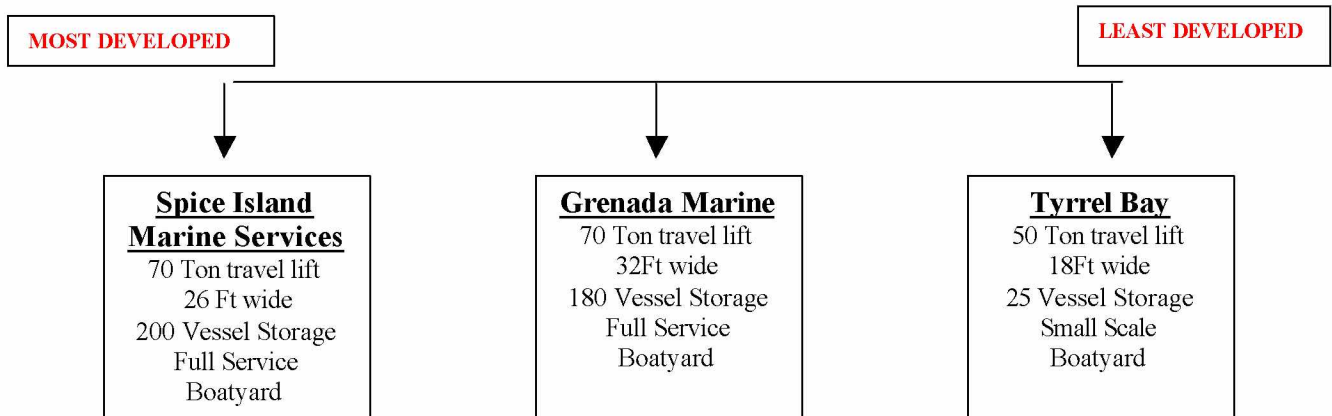
For the year 2000, GPA recorded 3094 yachts. Total revenue of EC\$245,623.25 was collected in clearance fees. In 2001, 3044 yachts cleared into the same ports, with a revenue collection of

EC243,066. Official data on the port: Hillsborough located in Carriacou was not available, however statistics compiled by the Grenada Tourist Board suggest that 2,267 yachts may have cleared into Carriacou during the year 2000, and 2566 during the years 2001. The 2000 yacht arrivals for Grenada including Carriacou yacht calls, are estimated: 5361. The 2001 yacht arrivals for Grenada, including Carriacou's yacht calls, totals 5610.

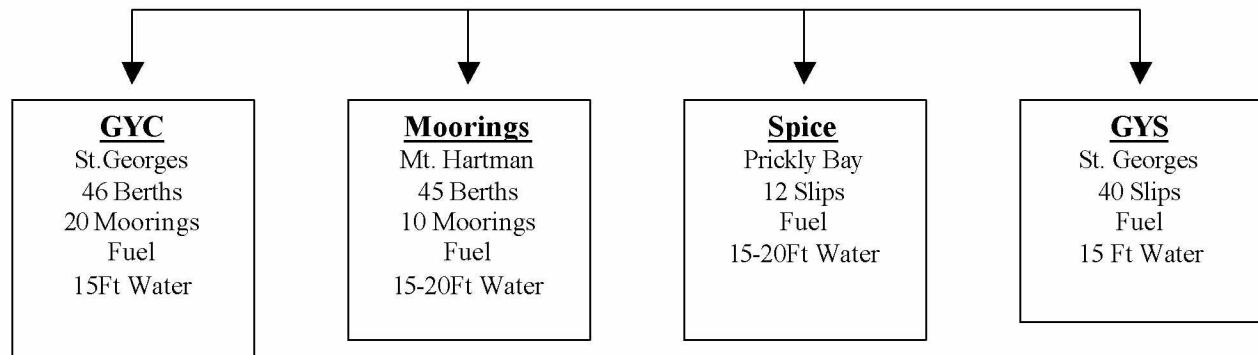
Based on the data compiled for both years, January, February and March show the highest activity, with a total average of 395 yachts for per month for the first three months of each year. April to July show sharp decreases in yacht numbers with an increase in August. The significant increase in August (the beginning of the hurricane season) further supports Grenada as a safe haven for dry and wet storage during the hurricane months.

### 3.0 YACHTING WITHIN THE NATIONAL SUSTAINABLE DEVELOPMENT FRAMEWORK

#### 3.1 On shore developments



**Figure 3.1: Boatyard developments**



**Figure 3.2: Marina developments**

Grenada has seven marina facilities with three providing major dry storage facilities. Most of these facilities are concentrated in the south end of the Island. Spice Island Marine services carries a full range of haul out facilities and marina services. The four-acre boatyard has the required infrastructure to service the growing catamaran industry. Dockage, diesel, water and electricity along with machining and full service sail loft are available. The least developed

marina facility is Blue Lagoon Real Estate Corp (formerly GYS). Although ideally located and within short distance from the capital, this marina is underutilized and in need of total refurbishment.

### **3.2 Ancillary services**

Grenada needs to improve on its existing marina facilities if it is to maximize its present advantages as a yachting destination. The present dry storage infrastructure is excellent with constant improvements by the owner/operators, however, to attract more yachts and improve the yachting product, better docking facilities must be created to provide all amenities: three phase power, swimming pool and large duty free fueling capacity. There is also a need for more entertainment, restaurants and high end provisioning outlets if the island wants to attract the mega yachts. However the island has excellent auxiliary service for servicing vessels on dry storage, and the recent setting up of three chandleries on the island is testimony to the expanding dry storage capabilities. Most of the ports and marina have water and electricity however most of them lack efficient liquid and solid waste management systems.

### **3.3 Communities, which are dependent on yachting**

Not enough data was compiled to accurately assess the level of dependency of certain communities on yachting. It is obvious, however, that most of the communities located within the southern end of the island: St. George's, Grand Anse, True Blue, Prickly Bay and St. David's Harbor are all dependent on the yacht sector to some degree.

### **3.4 Various stake holders and user conflicts**

- Ministry of Tourism  
Has yet to define its role in the yachting sector.
- Grenada Port Authority  
Is responsible for maritime administration and for the registration and/or licensing of vessels, while the Director of Maritime Affairs has responsibility for implementing the Yachting Act.
- Coast Guard  
Has the responsibility of policing Grenada's waters and search and rescue operations.
- Department of Fisheries

- The Marine and Yachting Association of Grenada (Mayag)  
Excellent private sector body set up in 1999 to address yachting issues in Grenada. Mayag is working with public sector agencies and other local sectors to further develop the marina industry. This association was instrumental in piloting the Grenada Yachting Act.
- Grenada Tourist Board  
There is no representation of the yachting sector on the Grenada Tourist Board.
- Grenada Customs and Excise  
Responsible for facilitating the entry and exit of all visiting yachts and yacht spares.

### **3.5 User conflicts**

Although there is a vibrant private sector yachting body in MAYAG, there is a lack of defined participation within the public sector and, in some cases, a reluctance to embrace this sector. Apart from customs, port authority, Grenada Tourist Board and coast guard, no other public sector agency is actively involved in the yachting sector. There is an urgent need to review and calculate the carrying capacity of land storage and the potential environmental impacts as the industry continues to grow.

The local liveaboard community with the Grenada yachting sector continues to grow placing an economic strain on the island's resources as these families blend into the local communities benefiting from schools, medical services, and work opportunities. It is evident that the large auxiliary services, which operate in Grenada, have less local ownership.

## 4.0 EMPLOYMENT ASPECTS OF THE YACHTING SECTOR

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In 1997 the Government of Grenada reported that there were three yachting/marina operations employing 34 persons. It was projected that the labour requirements for this industry would be dependent on the development pace of the industry. It estimated that one additional person in each skill area would be required per additional 50 yachts.<sup>1</sup>

Within the Grenada yachting industry there are nine skilled areas;

- Mechanics
- Refrigeration
- Electrical
- Carpentry
- Customer Service & Skills
- Fiber-glassing
- Marine Electronics
- Air Conditioning
- Rigging

**Table 3.1: Showing comparison of operations based on calls and employment**

<b>Year</b>	<b>No. of Yacht Calls</b>	<b>No. of Marina Operations</b>	<b>No. Of persons Employed</b>
<i>1997</i>	<i>5292</i>	<i>3</i>	<i>34</i>
<i>2001</i>	<i>5607</i>	<i>7</i>	<i>250</i>

The above indicates that over a five-year period there has been a 6% increase in yacht calls in comparison to a 635% increase in the number of persons employed in the industry.

It was noted that services at the marinas do not include strong technical knowledge specifically in the areas of marine electronics, cosmetic glassware and the use of fiberglass and rigging. Arguably the same can be said for certified marine management skills, most of the operators are owners.

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<sup>1</sup> Government of Grenada, Master Plan for Tourism Sector 1997

Some members of MAYAG have identified training as a key area of development for marinas and boatyards. There is a need for greater support facilities regarding technical skills and skills development in the delivery of service to the growing client base, as yachting is identified as a growing niche market within the tourism framework.

It has been noted that currently there are technical facilities on island providing training, for example, in areas like refrigeration and air conditioning.

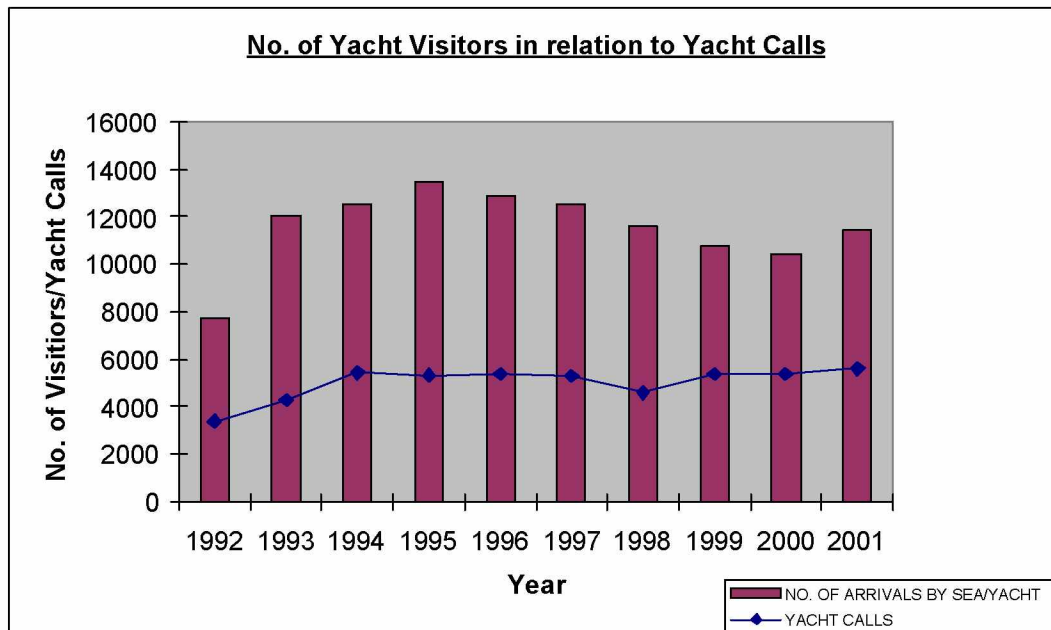
## 5.0 SOCIO-ECONOMIC IMPACTS

### 5.1 Economic impact of yachting

Grenada's yachting sector creates an environment, which encourages investment, income and profit from marina services. The sector is generating significant contribution to the local economy, however, during this study exact data could not be retrieved due to serious data deficiencies and incomplete statistics from government agencies. There is little information collected by government to accurately assess the impact and contribution to government revenues and employment.

Information compiled by the Grenada Tourist Board revealed the following:

**Figure 5.1 No. of yacht visitors in relation to yacht calls**



Data obtained from the Grenada Tourist Board shows a gradual increase in yacht calls from 3,373 in 1992 to 5,610 in 2001. Yacht visitors arrivals totaled 7,741 in 1992, and have increased to 11,475 in 2001.

The Grenada Tourist Board estimates: Average length of stay: seven days for visiting yacht persons. This data is distorted because it is an average calculated by combining cruise ship passengers, yacht visitors and hotel tourist.

## 5.2 Direct revenue components of yachting

**Table 3. Comparisons of visitor arrivals and expenditure, Grenada Tourist Board.**

YEAR	1992	1993	1994	1995	1996	1997	1998
VISITOR ARRIVAL METHOD							
By air	79813	81902	96376	94552	95372	98217	104151
By sea/yacht	7741	12017	12581	13455	12859	12531	11643
By cruise ship	195894	200061	200808	249879	266982	246612	265875
Same day visitors	7191	6622	7880	11450	10800	11057	10011
<b>Total</b>	<b>290639</b>	<b>300602</b>	<b>317645</b>	<b>369336</b>	<b>386013</b>	<b>368417</b>	<b>391680</b>
Cruiseship calls	431	382	420	446	393	323	328
Yacht calls	3373	4267	5413	5314	5355	5292	4583
Visitors to Carriacou	5343	8639	7304	7310	7266	7203	6743
Hotel occupancy	58.03%	67.33%	70.13%	67.17%	61.11%	62.10%	62.31%
Visitor rooms available	1114	1428	1428	1652	1669	1775	1802
Exp-cruise ships	\$9,706,752	\$9,903,022	\$9,939,999	\$12,369,015	\$13,215,611	\$12,207,298	\$13,160,815
Exp- stayover arrivals	\$104,112,842	\$119,866,380	\$148,208,371	\$143,158,739	\$147,134,535	\$147,485,405	\$151,820,030
<b>Total expenditure</b>	<b>\$113,819,594</b>	<b>\$129,769,402</b>	<b>\$158,148,370</b>	<b>\$155,527,754</b>	<b>\$160,350,146</b>	<b>\$159,692,703</b>	<b>\$164,980,845</b>

## 5.3 Economic impact of yachting

The yachting sector in Grenada continues to enjoy increasing private sector investment and a growing competitive edge. The recently formed MAYAG successfully grouped most of the private sector entities involved in servicing visiting yachts into a strong lobbying entity. While the investments by these local entrepreneurs have not been quantified, there is no doubt that these businesses continue to create significant revenues for government, both direct and indirect.

Limited existing data collected and compiled by the Grenada Tourist Board groups visiting yachts persons along with other tourist arrival categories. (*Table 3 Comparison of yacht visitor arrivals and expenditures.*) The data suggest visiting yachts persons spend an average of seven days on the island. This assumption is incorrect based on the yachting patterns of the other island in the Caribbean, and Grenada's vibrant yacht storage service sector.

Further, the data accounts for yacht calls and yacht visitor arrivals but there are no specific figures representing expenditure by yacht visitors. The Grenada Tourist Board calculates an average daily expenditure of EC\$474.00 for ALL visitors. This average could not be verified with supporting documents. Using data from the Grenada Tourist Board, the total direct revenue from yacht visitors for 2001: 11,475 x 7 (days) x EC \$474.00 = EC\$38,074,050.

Interviews conducted with MAYAG members provided the following assumptions.

- The average length of stay for visiting yachts persons in Grenada is 21 days.
- Average daily expenditure is estimated at EC\$150.00.

Based on these assumptions, the direct revenue from yacht would be EC\$36,146,250.

A more accurate assessment of the economic impact of Grenada's yachting sector could not be arrived at due to serious data deficiencies.

## 6.0 ENVIRONMENTAL ASPECTS

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### 6.1 Waste management practices

#### 6.1.1 Wastewater

Based on information and observations made during brief visits to facilities, it was concluded that wastewater from land-based facilities at most (and probably all) marinas or boatyards is treated using traditional septic tanks and soakway systems. It appears that there are no package treatment plants in use and no pump-out facilities for boats. Dedicated package plants for the treatment of marina wastes are often not available in the Caribbean. Marina access to a treatment plant often occurs where the facility is part of a larger tourism or resort complex, as in the case of Rodney Bay, Saint Lucia, and Jolly Harbour, Antigua.

The volume of onshore wastewater created by small marina facilities is low compared to a hotel and hence a traditional treatment system may suffice to accommodate wastewater flow from land-based facilities depending on volume and composition. Wastewater generated by boats even when the volume is low may however be an issue, where:

- untreated waste is pumped directly into a marina basin or an anchorage;
- the level of flushing in the basin or anchorage is inadequate to effectively disperse pollutants;
- the marina basin or anchorage is located close to a recreational beach;
- the potential for ecological damage from untreated waste is great because of environmental sensitivities.

Yachts berthing at marinas can be expected to generate wastewater from heads (toilets) which would be sewage (black water) and from showers, faucets and galley (kitchen) which would be gray water. Conventionally, gray water is drained to the boat's bilge (this could be considered temporary storage) and pumped by a bilge pump to sea. Black water was pumped directly to sea from toilets.

Some boats can now combine treatment of both black and gray water using marine sanitary device (MSD) type 2 systems and achieve desired required standards for coliform bacteria and suspended solids (SS). A number of jurisdictions including the United States now require the use of approved MSDs.

Devices meeting United States Coast Guard (USCG) regulations and applicable to some other jurisdictions around the world include:

Type 1	Coliform bacteria maceration/chlorination	1000/100 ml;	physical/chemical treatment, i.e,
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Type 2            200/100 ml coliform count; SS 150 mg/l; biological (aerobic digestion)

Type 3            discharge prevented

Preventing discharge from boats at berth for several days has proven to be impractical where pump-out and related onshore treatment facilities are lacking. Regulatory agencies should therefore:

- Encourage the use of treatment plants by marinas and the installation of wastewater pump-out facilities (tax exemption on imported package treatment plants could be provided as an incentive);
- Begin discussions with other regional destinations on strategies for promoting the use of proven Type 1 and 2 systems in the region.

In addition, the Environmental Division should undertake to research and compile information on typical MSDs and on more sophisticated treatment systems being used by mega yachts. There are major differences in the effectiveness and quality of treatment systems on larger boats and the qualifications of crew charged with the management of onboard treatment systems also vary. Crew need to be adequately trained to manage treatment plants on boats or land.

Thus, having state-of-the-art waste treatment technologies on a boat (which is true for a number of mega yachts) does not automatically result in effluent of reliable quality. Where effluent is treated to design specifications, pump out at berth without adverse impact on water quality is possible. If treatment is sub-standard, the large volume of wastewater generated by very large yachts could severely degrade water quality in marina basins.



Mega yacht traffic to Grenada is likely to increase, so too will demands for berthing such yachts at marinas. One of the critical requirements of activated sludge and similar treatment systems used on some large boats is the periodic removal of sludge from the plant. Also, the potential impact from sewage and other wastewater is increased when phosphates containing detergents and various other chemicals, used in cleaning, enter the wastewater stream.

Type of impacts and their effects are generalized in Table 6.1

**Table 6.1: General impacts associated with wastewater**

Type	Effects
Bacteriological (Coliform and streptococci)	Health
Nutrient enrichment (phosphates and nitrates)	Damage to marine life
Suspended solids (SS)	Water quality effects

In many parts of the world industry is taking the lead in adopting more friendly environmental practices at marinas. MAYAG members should consider taking the initiative on wastewater and other environmental practices even before regulatory authorities move to adopt legal standards. It is recommended that:

- MAYAG undertakes to encourage the creation of a task force to review wastewater management practices for marinas. The task force should comprised of MAYAG members and representatives from the Environmental Division, Ministry of Tourism and Tourism, Fisheries Division and the Marine Protected Area (MPA) Management Authority. It should consider the use of realistic guidelines for wastewater management practices by yachts, baring in mind standards being used by other nations and the varying levels of treatment effectiveness achieved by MSDs and/or other onboard treatment systems;
- Create clear policies and related guidelines for removal and disposal of sludge from large yachts.

### **6.1.2 Oil wastes**

Disposal of waste oil was an issue raised by members of MAYAG. The problem is national in scope and not specific to the yachting industry. Oil is being discarded in ways harmful to the environment, particularly marine resources. Discussions with at least two marina operators revealed that the cost of a reliable waste oil disposal service is an issue needing resolution. Shell Antilles and Guiana's Ltd and Texaco provide this service to fuel stations. Shell uses a 5,000 gal tank to store the oil before shipping it to Trinidad. Texaco uses hundreds of 35 gal barrels for shipping waste oil to Trinidad twice a month. The Grenada Electricity Company (Grenlec) is a major customer of Texaco.

Three options suggest themselves for addressing waste oil disposal.

- One is for MAYAG and relevant government agencies to approach Shell and Texaco about the prospects and cost of expanding their waste oil disposal services to include marinas, boatyards, marine and other mechanics and any other businesses needing to dispose of the waste product;

- The second is for the Solid Waste Authority to consider providing a reliable waste oil collection and disposal service to businesses for an affordable fee;
- A third is for some form of an incentive to be considered to encourage recycling of waste oil in Grenada.

## 6.2 Operating practices

### 6.2.1 *Marinas and boatyards*

The protected bays of Grenada and Carriacou allow good berthing and anchoring. Protection also creates conditions where reefs, sea grass and mangroves contribute to productive ecosystems. Rivers or watercourses that empty into the bays provide a steady source of nutrients that maintain ecosystem balance and productivity unless land-based or marine practices disrupt the process through excessive nutrient loading and other forms of pollution.



Practices of marinas and boatyards in Tyrell Bay, True Blue Bay, Prickly Bay, Mount Hartman Bay, Clarke's Court Bay and St. David's Harbour must be cognizant of their ecological importance and their visual value and appeal to tourism and recreation. Protecting the natural heritage of these and other bays require a code of conduct for

marinas and boat yards that is not currently in place. Discussions with marina and boat yard owners suggest there are varying and moderate attempts to improve environmental practices.

Chris Doyle's 2001 – 2002 Sailors Guide to the Windward Islands reports that Tyrell Bay Yacht Haul Out is "one of the more environmentally friendly" boatyards. According to Doyle it uses a "wash-down catchment" that prevents toxic paints from going directly to the sea. More interestingly, the boatyard has decided, for environmental reasons, not to spray or sand blast boats or undertake major fiberglass repair work until they are able to provide an enclosed area to contain fumes and dust.

Reducing environmental impacts from such practices is vital considering the planned expansion of marina and boatyard capacities and the overall prospects for growth of the sector. Planned new developments according to GIDCs are:

- New 40 berth marina in Tyrell Bay, Carriacou
- 30-40 berth marina in Woburn
- 200 berth marina at GYS (to be done in 2 phases)

In addition, the Spice Island Boatyard at True Blue is expected to expand to provide a capacity for 200 boats.

Impacts from existing marina practices can be reduced or halted by retrofitting, but for new marinas the emphasis should be placed on mitigation before the fact. A three-pronged approach should be considered in addressing relevant issues associated with practices:

1. A code of practice for construction and industrial uses at marinas and boatyards should be developed using relevant models and discussions should be held with relevant stakeholders to arrive at standards that could be enforced;
2. EIA procedures should be strictly applied for environmentally sensitive bays. The scope of work for EIAs should be expanded to ensure evaluation of the proposed marina or boatyard project against the standards developed under 1 above;
3. Environmental Audit procedures should be used for existing marinas. The standards for construction and industrial uses (as suggested above) should be used to evaluate practices at marinas and boatyards that would require improvement.

### ***6.2.2. Standards for the Yachting Sector***

#### ***a) General Standards***

There are no published standards for the yachting sector in Grenada. This is true of most, if not all, of the countries for which national case studies have been done under the ECLAC project. Standards for hotels, apartments, villas and guest houses of over four bedrooms have been published by the Grenada Bureau of Standards for Grenada in a document prepared for the Standards Council by the Bureau's Technical Committee for the Accommodation Sector.

The document is entitled ***Requirements for the Assessment, Licensing and Registration of the Accommodation Sector***. Members of the Technical Committee included representatives from the Grenada Association of Professional Engineers, Grenada Chamber of Commerce, Grenada Board of Tourism (GBT), Ministry of Tourism, GIDC, Grenada Hotel Association and the Grenada Bureau of Standards.

Discussions on how effectively the standards were being applied were not possible. However, the aim of the standards should be instructive to stakeholders in the yachting sector and could in fact guide initiatives seeking to cultivate a culture of efficiency in construction and maintenance of the yachting plant, customer service and safety. The objective that could also be applied to yachting is “to provide high visitor satisfaction and to ensure continual protection and promotion of the tourism industry on the international market”.

Comparable standards tailored to the yachting sector would help to address issues associated with the design and construction of marinas and boatyards, environmental impacts associated with their development and operation and customer satisfaction.

It is recommended that MAYAG initiates discussions with the GBT and the Grenada Bureau of Standards aimed at consultations that would lead to an agreement between relevant stakeholders (including marina and boatyard operators) to adopt relevant and appropriate standards for the yachting sector. Among the thematic areas to be addressed are:

- Fuel storage and dispensation
- Electrical installation and lighting requirements
- Fire safety requirements
- Sewage disposal from land-based facilities
- Sewage and sludge disposal from boats at berth
- Storage and disposal of toxic or hazardous material
- Pressure washing, spray painting, fiberglass application
- Occupational safety
- Design and engineering requirements for berth construction
- Storage and disposal of waste oil
- Depth maintenance and reporting for marina basins and channels

#### ***b) Electrical Standards***

Yachts make varying demands for shore electrical power depending on size and onboard equipment. Increasingly, marinas are being required to provide full service bollards in which lights, power connecting outlets and cable television hook-ups are possible. Power needs run for 120 – 380 volts and single, double or triple phase capacity depending on size of boat.

In Grenada, as in most other islands, installation of power infrastructure for marinas is poorly regulated if at all. Boats from countries where power supply is adequately regulated are said to be reluctant in some cases to use shore power because of inconsistent voltage and uncertainty about local standards. This is mostly true for larger boats, even those with systems installed to provide protection against power surges, low voltage and faulty installations.

Damage to equipment, threats of fire, and threats to life are issues with which marinas and regulatory authorities must contend. Because water is such a good conductor of electricity, standards for marinas should, among other things:

- Guard against ingress of moisture and air that may affect wiring and other metallic components;
- Seek to prevent and monitor processes that lead to exposure of live components;
- Ensure adequate grounding;
- Specify adequate dimensions for manholes which are prone to seepage in areas with high water table.

It is important for Grenada to consider the adoption of dedicated standards for marinas and boat yards considering that there are projects being planned to increase the country's share of the mega yacht market. Onshore power supply is a major revenue source for marinas in other countries with mega yacht berths. Power demands by large power yachts may range, depending on size and equipment, from 50 to 120 amps, based on the experience of a marina in another island. Therefore size of a voltage transformer to service a marina is critical to power supply capacity of the facility and important to its income earning potential.

### 6.3 Toxic material

Global concern over the use of TBT prompted a review of products sold in chandleries in Grenada. Anti-fouling paint, with relatively high TBT content of up to 17.2%, is being sold in Grenada and other yachting destinations in the region. Products not approved or registered for use in the United States are available at chandleries in a number of countries. Examples include the Seahawk brands Seahawk Islands 44 and Seahawk Biotin. The material safety data sheet (MSDS) of Islands 44 indicates a tributyltin (TBT) methacrylate content of 17.2%. The MSDS for the Biotin could not be accessed on the Seahawk website [www.seahawkpaints.com](http://www.seahawkpaints.com).

Toxic brands enjoy widespread use because of their effectiveness in retarding the growth of algae, barnacles and other organisms that foul boat bottoms. Suitable substitutes have been explored but not many are effective. Highly toxic paints will continue to be used unless Grenada and other countries design and implement protocols banning their application. Paints with TBT are known to cause brain damage, birth defects, blood disorders, skin allergies and nervous system damage in human beings and have proven to be devastating or deadly to marine organisms.

In the case of Grenada, it is suggested that:

- A list of the most toxic anti fouling paints be created by the Environmental Division in collaboration with the Fisheries Division.
- A series of consultative meetings are planned with relevant stakeholders to devise a plan and time table for phasing out the use of the most dangerous and environmentally threatening paints. Along with the environment and fisheries divisions, stakeholders should include companies operating chandleries; importers of marine products; marina and boatyard operators; the Pesticide Control Board or any other agency with the authority to regulate the use of toxic and dangerous chemicals; and customs.
- An awareness programme seeking to inform and build support for the phasing out of agreed products should be planned and executed.
- Attempts are made to encourage other yachting destinations in the region to undertake similar initiatives at the national level, which should then lead to regional cooperation on the banning of selected products.



*Plate #6.1. Photo on the left shows dust masks and respirators on a shelf. Photo to the right shows paints with high TBT content, including 2 band from use in the USA*

## 7.0 PRIVATE SECTOR POLICIES

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### 7.1 Government policies

#### 7.1.1 *Incentives*

A GIDC document, Invest Grenada, identifies the following instruments as the basis upon which incentives and concessions are provided by government to “make investments more profitable”;

- Fiscal Incentives Act, 1974
- The Investment Code Incentive Law 1983
- Hotels Aids Act 1954
- Common External Tariff (SRO 37/99)
- General Consumption Tax Act 7/95

The incentives available to tourism are listed in the document as:

- Full exemption from corporate tax up to 10 years
- Exemption from customs duties, or the common external tariff (CET) of between 5%-40% on the CIF value of goods bought outside of CARICOM
- Exemption from the General Consumption Tax (GCT), which is assessed at 25% of CIF of goods plus the CET, except for qualifying CARICOM goods where the GCT is calculated on the CIF value only.

GIDC admits that where yachting is concerned the government is lagging on policy development. Legislation that would allow for specific relief to the yachting sector is lacking. Under the Investment Code Incentive Act of 1983, yachts are allowed duty exemption on material and equipment, and marinas having a hotel component get the 10-year exemption from taxes on corporate profits. By law, marinas and boatyards do not qualify for exemption from corporate income tax. GIDC is uncertain if proposed marina projects will be granted the 10-year exemption.

Incentives available to manufacturing include full exemption from tax on corporate profits up to 15 years and exemptions from CET and GCT on plant, machinery, equipment, spare parts, raw material and components. Manufacturing enterprises in the tourism sector, such as sail making, can therefore benefit from these concessions. However, non-manufacturing yachting businesses do not benefit, unless conditional waivers are made available under the CET SRO 37/99. Under this instrument, government may selectively grant exemption from CET to selected items in all sectors.

The lack of specific legal provisions for yachting creates uncertainty among potential investors and signals, perhaps inadvertently, that yachting until recently was not considered a growth

sector of major importance. This perception is changing but the policy instruments to propel the sector forward are still not in place.

It is recommended that:

- Legislation providing specific provisions to encourage investment in the yachting sector be considered as a separate statute or part of a comprehensive tourism incentive legislation;
- The incentives should not be limited to marinas and boat yards but should also be available to selective allied services whose development are considered critical to the competitiveness of Grenada's yachting sector.
- The selection of the allied services for which incentives or concessions could be granted should be informed by detailed assessment of gaps in the yachting product, which was not possible in this study.

### ***7.1.2 Marketing***

The Grenada Board of Tourism (GBT) is the official marketing body for Grenada, Carriacou and Petite Martinique. It works with a marketing budget which is currently EC\$8 million per year out of a total operating budget of EC\$10 million. The main components of its marketing strategy are:

- Advertising, using print and electronic media
- Sales promotion, through visits to travel agencies, road shows and travel markets
- Public relations, in which travel writers and other media persons are targeted and provided with information with the intent of having the country portrayed positively.

Within this strategic framework yachting events are promoted and advertised but no organizational structure or plan exists within GBT to market yachting at the destination level. Individual businesses market themselves using websites and various media such as Compass and All-at-Sea monthly publications.

GBT collaborates with the Grenada Hotel and Tourism Association (GHTA) in marketing hotels and with airlines in joint advertising to increase airlift. The GHTA is represented on the GBT Board of Directors and this provides a mechanism where both bodies can engage in ongoing exchanges and strategic planning on tourism policy and marketing activities. Because a similar mechanism does not exist to maintain a structural relationship between GBT and MAYAG, opportunities for collaboration in market analysis and planning for the yachting sector are being missed.

The involvement of MAYAG in the institutional framework for marketing tourism in the country should be considered a vital and strategic step in promoting Grenada, Carriacou and Petite

Martinique as a destination where opportunities for staying on land or sea abound. In this context, the following actions should be taken:

- MAYAG should be represented on the Board of GBT;
- A taskforce of GBT and MAYAG representatives should be given the responsibility to identify marketing needs for the sector and to elaborate a programme of marketing actions to be implemented within the next six months;
- A fraction of GBTs marketing budget should be allocated for the implementation of these actions;
- MAYAG should be allowed to share booths with GBT and GHTA at travel markets and other events where the presentation of the overall tourism product and attractions of the country could be beneficial to all subsectors.

### ***7.1.3 Customs and immigration***

Ongoing consultations between representatives of the yachting industry and customs officials in Grenada is leading towards resolution of procedural and customer service issues. For example, in Antigua and Barbuda, where similar issues exist, stakeholders have found that to solve problems, it is necessary for people with different perspectives on issues to work together to reach consensus on what is in the best interest of the country. Continued dialogue is therefore essential for Grenada, Carriacou and Petite Martinique. The country's quick and decisive response to the negative fallout from revised clearance and cruising permit fees under the Yachting Act is an indication that the required dialogue between the stakeholders is taking effect. However, the issue over the fees and clearance procedures which resulted in adverse, although temporary, impact on the yachting sector points to the importance of engaging in broad-based consultations with all relevant interests before making critical policy decisions.

Time did not allow an evaluation of all the issues that were raised. Nevertheless, a brief description of those issues identified during discussions follows:

- ***Policy on Ports of Entry.*** There seven ports of entry (POE) in the country, namely:
  - St. Georges
  - Grenada Yacht Services (GYS)\*
  - Prickly Bay\*
  - Moorings (Secret Harbour)\*
  - St. Davids\*
  - Grenville
  - Hillsborough, Carriacou

(\* denotes POE at private marinas)

Four of these are located at private marinas, which provide space for customs and immigration services. Each POE has a bonded facility and those associated with marinas are owned by the marina or boatyard. It is a convenient arrangement for the marinas or

boatyards but the policy cannot be sustained if new marinas are afforded similar privileges. POE designation should be done using criteria in which the volume of boat traffic and cost benefit in resource allocation and staff time are prime considerations.

- ***Accounting for goods sold from bonded facilities.*** According to the Yachting Act of 2000 goods entering the country as stores for use by boats licensed to charter or hire under the provisions of the Act are not “subject to import duty, tax, levy or other impost whatsoever”. The goods are however subject to the payment of an administrative charge of 2.5% of C.I.F (cost, insurance, freight) value or EC\$2,500 whichever is greater. Customs official are concerned about infringement of the goods’ certification process at privately operated bonded warehouses, which results in occasional sales of goods to non-eligible boats or persons without the administrative charge levy.
- ***Duty exemption for imported yachts.*** The law also provides for exemption from import duty and related taxes for yachts imported into the country. It is understood that concerns have been raised about the fairness of the duty exemption policy when the cost of duty on a gift barrel remitted from overseas is higher than the cost of bringing yachts into the country. It seems that greater public awareness is needed on the objectives of the duty exemption policy for yachts. Normally, such policies are intended as direct or indirect stimulants to business and economic activity and can therefore be seen as a public good based on income, jobs and other social benefits derived. Where policies cannot be justified as serving the public interest then varying levels of objections will be raised.
- ***Clearing ships’ stores.*** Several issues were raised regarding clearing of ships’ stores. These include procedural delays and poor customer relations. Procedural delays often result from steps required to validate that goods would be used in accordance with the law and are most critical if the goods arrive by one of many courier services, e.g, Fedex, DHL, Liat Quik Pak, Post Office Express mail. The procedural steps leading to clearance of ships’ stores could not be evaluated because of time limitations of this study.

However, customs indicated that once its officers are satisfied that basic requirements are met by captains and their agents (or brokers), goods can be cleared and the paper work which normally takes time can be done after. With respect to poor customer relations, it is generally felt that an awareness building and training programme for customs and immigration officers should be designed and implemented.

- ***Other issues.*** Other customs related issues include:
  - Deferring perspective on who should pay customs and immigration officers for working overtime. Should it be the government, the marinas or the boats? Government pays salaries for customs and immigration officers based on a schedule of 8 a.m. – 4 p.m. weekdays, and 8 a.m – 12 noon on Saturdays. The issue is then who should pay for overtime work outside of these hours.

- Clearance of boats. The yachting community wants in and out clearance for boats that would be valid for 72 hours. Customs believes that 72 hours allows opportunities for abuse of the procedure and is considering a 24 hour time-frame.

The range of issues needing to be resolved is quite extensive. In Antigua, the initiative for solving similar problems has been taken by a special committee that was formed during the yachting consultation following the national study on yachting. The committee operates under the aegis of the Antigua Marine Trades Association and works in collaboration with the Ministry of Tourism and Environment.

Consultations and workshops in which customs brokers, airlines, courier and shipping services, customs and immigration are involved have led to agreement on steps to be taken to address critical procedural and customer related problems facing the yachting sector. A plan of action has been approved by the government of the country and is now being implemented.

A similar approach to dealing with the issues identified above and others not listed in this report should be considered. The Ministry of Tourism, MAYAG, customs, immigration and other stakeholders will need to continue consultations that started over a year ago to build the consensus required to improve performance in the sector.

#### ***7.1.4 Skills development***

The range of job and career opportunities available in the yachting sector is wide and expanding. Skill requirements for accessing opportunities differ as rapidly changing technology is being adopted in the design and operation of new and refitted yachts. Entry level skill requirements for persons wanting to work in technical trades, such as electronics, air conditioning and refrigeration, marine wood working, fibreglass, osmosis treatment, awlgrip application, sail making and repair and metal fabrication are becoming more demanding.

In Grenada, Carriacou and Petite Martinique, institutions providing technical and vocational training with possible career links to the yachting sector include the T.A. Marryshow Community College (TAM), Newlife Organization, St. Patricks Multi-Purpose Center and St. Andrews Skills Training Center. TAM has technical-vocational and hospitality wings among its four specialized areas of training. An evaluation of the various training programmes was not possible in this study. A needs assessment study, in which a comparative analysis is made between the demands for technical and hospitality skills in the yachting sector and existing training capacities should be considered.

The needs assessment should also target the opportunities for onboard or crew skills. A global growth in yacht cruising and chartering has seen a corresponding growth in the demand for qualified crew including captains, engineers, first mates, chefs, stewards and stewardesses and deckhands. On large boats, salaries, benefits and working conditions for crew can be very attractive.

Whereas in the earlier years of yachting in Grenada, Carriacou and Petite Martinique, residents were able to obtain crew jobs without prior work experience this is no longer the case. The competition has become more intense and global in scope. Professional crew placement agencies are being employed by yachts, on one hand, and by crew, on the other, to match demand and supply with respect to employment on yachts. Grenada and other countries in the region will need to devise strategies to better prepare their workforce to function more efficiently in a globally competitive environment.

#### ***7.1.5 Emergency planning for storms and hurricanes***

Grenada has not experienced a hurricane for close to 50 years. Being outside the so-called “hurricane belt” and not subject to penalties for marine insurance experienced by businesses in Antigua, St. Maarten and the British Virgin Islands, it is easy to become complacent. This is not unusual for the region because even some countries that have been repeatedly hit by hurricanes in the past 20 years have failed to develop adequate emergency planning and disaster readiness strategies for the yachting sector and other marine activities.

The reverse is true for other sectors including housing and accommodation. Hotels now work with national disaster management agencies in the preparation of emergency plans for individual properties and, in some cases, in the training of staff to execute those plans. Emergency plans for marinas and boatyards are of critical importance, as they are for hotels and homes, and in some cases more so because of their location.

Variations or changes in climate have been linked to a period of intense storm and hurricane activities experienced in the region between 1985 and 2001. Wind damage has been the major source of economic and social impact from storms and hurricanes but storm surge and wave attack associated with rising sea levels have also taken a toll even in countries outside the hurricane belt. Grenada needs to review its level of preparedness to deal with the effects of natural hazards on the yachting sector. Issues identified during discussions and field observations include:

- ***Management of hurricane shelters.*** Although protected anchorages are well known to persons involved in boating, the country lacks a strategic storm and hurricane shelter plan for boats. Among other things, a shelter plan for boats should designate official shelters, outline procedures for handling, mooring or storing boats during an emergency, identify key agencies and organizations and their respective roles for implementing emergency actions (similar to what is done for land-based hurricane shelters).
- ***Storage of boats on land.*** The boat storage business in Grenada is growing rapidly and the potential for continued development of this activity appears to be limited by a lack of clear and legislated incentives and perhaps investment initiatives but not opportunities. Being a major gateway to the Grenadines and by virtue of its location outside the hurricane belt, Grenada is well positioned to capture more of the boat storage market by becoming an optional hurricane shelter destination to Trinidad, which is now currently the hurricane shelter of choice in the region. Current practices for storing boats on land

would need to be evaluated however to capitalize on the opportunities that exist and to help promote the country as a reliable hurricane shelter.

Among the critical measures that boatyards would need to consider are:

- procedures for stacking and racking boats to increase security against wind forces and collateral damage by boats banging against each other
- standards for construction of holes in the ground to accommodate keels and to reduce the effects of windage.



**Plate # 7.1.** In photograph at left, boats too close to the water are vulnerable to storm surge and increased risks of water contamination from toxic material. Photo in center shows evidence of erosion at a boatyard. Photo at right shows boat with keel in ground to reduce wind damage during a storm, Antigua.

- **Insurance.** General liability insurance is provided by boatyards to cover damages to boats occurring out of negligence in handling and for personal injury associated with doing business on site. Yachts must undertake their own hurricane insurance. The cost of insurance premiums, although relatively lower than in hurricane prone destinations, could be affected following the impact of a major storm. Experience in other islands suggests that the decision to increase hurricane insurance premiums is linked to the extent of damages and the corresponding costs to insurance companies and underwriters for settling claims. Hurricane resistance measures applied to buildings have been used by homeowners to get rebates on premiums from insurance companies. It would seem that the principle could be applied for hurricane resistance measures applied to the storage of boats on land and in sea.
- **Site design levels for boat storage.** At the boat yards in St. David's Harbour (Grenada Marine) and True Blue (Spice Island Boat Works) boats were observed to be stored relatively close to the high water mark (HWM). Both properties are low lying with respect to average sea level (ASL) and are vulnerable to surface floods, storm surge and wave impacts. Grenada Marine is actually built in the flood plain of a major watercourse and is also susceptible to flood-related erosion. It also appears that shoreline development is inadvertently causing shoreline erosion. Environmental characteristics at both sites suggest the need for adequate setback provisions for vessel storage, notwithstanding that the boats can be moved in advance of a storm. A determination should also be made of safe levels at which boats can be stored to reduce impacts from storm surge and floods.

It is recommended that:

- MAYAG initiates dialogue with NERO (the National Emergency Response Organization) aimed at ensuring that the yachting sector is adequately accounted for in national disaster planning and preparedness strategies;
- As part of the national disaster strategy for mitigating against hurricane and storm damage a hurricane shelter development and management plan be prepared, along with procedures that would govern actions to be undertaken during periods of emergency;
- Marinas and boat yards are encouraged to work with NERO in preparing emergency plans for their individual properties and in the execution of emergency drills for staff;
- MAYAG undertakes to work with NERO, marina and boat yard operators, the Grenada Association of Engineers and other relevant entities in devising standards for boat storage to reduce damage during hurricanes and storms;
- Boat yards are provided with assistance in undertaking storm surge analysis of their properties as the basis for making determinations on the most suitable levels for storing boats on site in preparation for storms of agreed return frequencies.

## 7.2 Marine and Yachting Association of Grenada

MAYAG represents the private sector interests of the yachting industry. Present membership is about 20 businesses with paid up members being about 15. Considering the significant number of businesses in Grenada, Carriacou and Petite Martinique that benefits from the industry, the membership is significantly smaller than it ought to be. MAYAG's membership fee is only EC\$300 per year compared to that of the Antigua Marine Trades Association which is EC\$500. The small membership and low membership fee limits the amount of funds that is available to carry out the organization's mandate.

Hotel associations in various countries of the region have membership fee structures that are based on the number of rooms. Larger properties contribute more by way of membership dues. This principle could be applied for MAYAG membership on the assumption that larger businesses fully dedicated to, or whose income is directly tied to, the yachting sector should pay more. Marinas, boats yards and chandleries are examples that come to mind.

MAYAG affairs are carried out with voluntary help, including that of a dedicated President who also acts as its Executive Director. Yachting is too vital to the country to have the interests of its private sector totally dependent on voluntary assistance. Trinidad and Tobago and, more recently, Antigua and Barbuda have recognized the value of a properly funded and staffed secretariat to the ability of the private sector to market its services and impact on government policy, among other things.

While volunteer help should still be considered a vital aspect of how MAYAG conducts its affairs, a shift to a more professional approach in running the organization should be considered. A paid Executive Director should be the initial action taken in relation to having paid staff. The Executive Director would report to a MAYAG Board and coordinate his/her activities with voluntary committees working in areas such as skills development and marketing.

Although all of the issues associated with the MAYAG could not be evaluated in this study, discussions with the President of the organization plus the experiences of other countries allowed the framing of the following suggestions for the consideration of MAYAG's executive body:

- Review the written aims of the organization so as to:
  - clarify its goal and objectives
  - elaborate its benefits to members
  - provide information on types of membership;
- Prepare and have printed a document that truly represents the organization's goals, objectives (mandate), requirements for membership, benefits to membership, etc. This would essentially become a public relations document that would assist with MAYAG's membership drive;
- Undertake an aggressive membership drive with the aid of radio and TV public service programmes and talk shows;

- Consider having a MAYAG representative in Carriacou, who could assist with recruiting members in Carriacou and Petite Martinique and help to foster or strengthen links that promote and sustain yachting interests in the tri-island State;
- Consider using different membership categories (e.g, member, associate member) and devise a formula to determine membership dues for each category;
- Build on the initial work done on the Boaters Directory of Grenada, Carriacou and Petite Martinique by:
  - making the document more durable (waterproof, if possible)
  - dating the issues of the Directory (e.g, the directory for 2003 or 2003/4) realizing that it should be upgraded annually or bi-annually
  - using the directory to sell advertising to member and non-member businesses as one means of raising funds
  - develop a MAYAG website and provide an electronic version of the directory on the site.

## 8.0 STRUCTURAL WEAKNESSES IN THE INDUSTRY

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### 8.1 Berthing infrastructure

Despite being one of the most active ports of entry, Carriacou does not have a marina. The Tyrell Bay Boat Haul-out facility has a small number of convenience berths but this is inadequate given the boat traffic on that island. Swell action in Hillsborough and the relative openness of other bays on its west coast makes Tyrell Bay perhaps the primary candidate for marina development on Carriacou. Assessment and mitigation of the potential impact to the mangrove-fringed shoreline of Tyrell Bay should however be considered a precondition for development of a marina facility. Windward is also another possible candidate for marina development on Carriacou, once adequate marking of the entrance channel and reefs fringing the anchorage basin is undertaken.

There is also potential for development of marina facilities on Grenada's west coast. Marina berths outside the southern bays would provide yachts with location and service options and also help to spread socio-economic benefits from the sector to other geographic areas.

### 8.2 Dedicated berths for mega yachts

The country has limited capacity for berthing mega yachts. Over 400 boats in excess of 150 ft are said to be presently under construction and the subsector is expected to continue growing. Persons following trends in yacht development are of the opinion that the Caribbean is undersubscribed with mega yacht berths. Grenada should therefore explore options for investing in this fairly lucrative growth segment of the yachting industry.

### 8.3 Allied services



Based on information gathered for this study, a number of liveaboard boats are owned by persons with a range of marine technical skills. The boats are used as a base for business. This allows mobility in the trading of skills but restricts the options available for expansion of existing businesses or for diversification. In Carriacou, the relatively small size and capacity of allied services is due in part to the limited berthing and dry storage capacity. It is a possible reason why some allied services are provided from boats. In this case, unless berthing and storage capacity increases, significant

growth in allied services is unlikely despite the relatively high traffic of boats.

*Plate # 8.1: Photograph to the left shows the only facility in Carriacou with yacht berths. Photograph to the right shows a floating welding operation. Both are in Tyrell Bay.*



## 8.4 Data management

Reliable data is critical to policy and decision-making. Information that is collected but not assembled and made readily accessible for analysis of trends and performance of the sector leads to conflicting perceptions on its contribution and importance to the economy. In Carriacou, the Grenada Board of Tourism (GBT) gathers arrival and passenger information on what it defines as small cruise ships (boats carrying from 14 to 150 passengers, such as the Atlantis, Yankee Clipper, Sea Cloud, Mandalay), however, it keeps no records of yacht and yacht passenger arrivals. The data is available at immigration in Hillsborough but is not published. What GBT defines as a small cruise ship is considered to be a large yacht by immigration, so that yacht arrival data for Carriacou includes passengers carried by such boats.

In addition, yacht arrival and passenger data for Carriacou mainly covers yachts southbound from Saint Vincent and the Grenadines or countries further north. Since boats arriving from Grenada are not required to register their arrival in Carriacou, the level of boat traffic in Carriacou and Petite Martinique is not known. Tracking the movements of boats within the tri-State destination is apparently not considered necessary by industry planners at this point. However, the data inadequacies place businesses and investors at a disadvantage in seeking to determine demands for yacht services.

## 8.5 Capacity to manage the yachting sector

Although time limits restricted the level of analysis possible in this study, it is apparent that there are certain institutional weaknesses affecting economic and environmental aspects of the yachting sector. Some of these have been described or implied previously. Nevertheless, some of the key institutional issues requiring attention are summarized:

- **Investment promotion.** The capacity of the GIDC to promote investment opportunities in the country is constrained by the inadequacies of enabling incentives legislation. This is further exacerbated, perhaps, by the absence of a staff person who has been given a clear mandate and resources to work with local and non-local investors in pursuing investment options in direct and allied services. As a result, presently there is

no strategic vision for the direction of the country in the development of the yachting sector, what the product mix should be and, therefore, what services should be given priority in enabling incentives legislation.

- ***Marketing.*** The country lacks a clearly defined structure for marketing the tri-island State as a yachting destination. This is also a problem in other yachting destinations in the region, where like Grenada, Carriacou and Petite Martinique the industry is not fully understood and appreciated by government agencies involved in product development and marketing. Grenada's distance from its sister island of Carriacou and Petite Martinique places an added challenge to marketing. With respect to geography and, to some extent, seafaring tradition Carriacou and Petite Martinique have more in common with Union Island, Canouan, Tobago keys and other small islands in the Saint Vincent Grenadines (SVG). Significantly, this is how they are perceived in the market place and therefore institutional arrangements and resource allocation for marketing should be designed in recognition of this fact and to capitalize on the geographic and traditional links between the two countries.
- ***Environmental management.*** An administering authority has been established to manage Marine Protected Areas (MPAs) in the country. A system of MPAs has been identified with boundaries for individual sites defined for Grenada, Carriacou and Petite Martinique. A co-management arrangement between the Carriacou Environment Committee (CEC) and the MPA Management Authority (based in Grenada) is being worked out to manage sites in Carriacou and Petite Martinique including the Sandy Island/Oyster Bed Lagoon MPA. It is important that such arrangements are finalized so that the capacity is built to manage marine resources such as coral reefs, mangroves and seagrass flats, which are critical to fisheries, yachting and scuba diving. Among other things the capacity is required to:
  - protect reefs and seagrass from anchor damage, which is currently occurring in places like Sandy island;
  - resolve existing and potential conflicts between competing resource uses and between fishermen, scuba dive operators and yacht persons;
  - regulate uses in order to promote visitor safety, reduce impacts on coastal water quality and to help ensure that communities benefit from marine industries.

Annex 1**COMPANIES DIRECTLY INVOLVED IN YACHTING****Marine and Yachting Association of Grenada – Membership List 2002**

Anro Agencies  
Benoit James  
Bezo Charters  
Blanco, Bob  
Blue Beard Charters  
Boatyard Restaurant  
Budget Marine  
Cottle Boat Works  
Enza Marine Ltd  
Footloose Charters  
Frank James  
Grenada Board of Tourism  
Grenada Citizen Advisory & Small Business Agency  
Grenada Marine  
Grenada Ports Authority  
Grenada Yacht Club  
Henry, Henry & Bristol  
Henry Safari Tours  
Horizon Yacht Charters  
Island Dreams  
Island Rentals  
Island Water World  
Johnny Sails & Canvas  
K & J Tours  
Kevin Debero  
Lagoon Refrigeration  
McIntyre Brothers Ltd.  
Moorings Grenada  
Neil Pryde / Compass  
Ocean Marine Services  
Shipwrights Ltd  
Spice Island Marine  
Trade Wind Yacht Charters  
True Blue Bay Resorts Ltd  
Turquoise Yachts Services Ltd  
Tyrrel Bay Yacht Haul out  
West hall Fort Jeudy Ltd  
Windward Marine  
Yacht Services of Trinidad and Tobago