



GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS
DEPARTMENT OF TOURISM



October 9, 2024

VIA EMAIL TO: Senator. Javan E. James: senatorjjames@legvi.org


The Honorable Javan E. James
35th Legislature of the Virgin Islands
Chair, Economic Development & Agriculture
Capitol Building
P.O. Box 1690
St. Thomas, U.S. Virgin Islands 00804

Re: USVI Division of Festivals Testimony to Bill Number 35-0257: An Act to develop and produce an annual U.S. Virgin Islands Beer, Wine, and Spirits Festival.

Dear Senator Javan E. James:

Please find the Department of Tourism's testimony herein for the meeting of the 35th Legislature of the Virgin Islands' Committee on Economic Development & Agriculture, at 2:00 P.m. on Wednesday, October 9, 2024 at the Earle B. Ottley Legislative Hall on the island of St. Thomas.

Sincerely,


Joseph Boschulte
Commissioner
USVI Department of Tourism

TESTIMONY SENATE HEARING 10/9

Good Morning, Economic Development & Agriculture Committee Chairman, Honorable Senator Javan E. James, Committee Members and Senators of the 35th Legislature of the United States Virgin Islands, legislative staff, members of the media, and the listening and viewing audience.

I am Ian Turnbull, Director of the Division of Festivals within the Department of Tourism. Pursuant to your invitation, I am here on behalf of the Department of Tourism to provide testimony concerning Bill Number 35-0257: An Act to develop and produce an annual U.S. Virgin Islands Beer, Wine, and Spirits Festival. I thank you all for the opportunity to testify on this new bill to produce a Food & Beverage Festival in the territory.

Since its inception in 2019, the Department of Tourism has grown our territory's festival events, under the Division of Festival, by marketing and promoting our three marquee festival celebrations, the Crucian Christmas Festival, St. John Celebration, and St. Thomas Carnival, as a unified powerhouse brand. As a result of due diligence and creative advertising, the US Virgin Islands carnival product is now a formidable brand which is respected and admired within the region and throughout the Diaspora. The growth of USVI Festival events positively affects the Territory's overall commerce and the fund balance of the Tourism Advertising Revolving Fund (TARF.) Data from 2022 to 2023 reflects increased visitation around said events throughout the territory by **over 200%** in hotel bookings. Festival air travel data year-over-year from 2023 to 2024 also reports an uptick in air travel to the territory during the Carnival/Festival season recording a 43% increase across all 3 events. (ADARA/Department of Tourism 2022-2024 Metrics)

The Department of Tourism continues to monitor the festival scene, as we strengthen the USVI brand and our footprint in the region. This is a daunting task, as consistent engagement with industry partners and independent research reveals the positive and negative impacts of hosting festivals. When executed effectively and efficiently, festivals positively increase commerce and promote the said brand event and its host county. However, on the flip side, poorly executed and marketed events come with a number of challenges for the host, such as: diminishing returns and negative publicity due to low visitor and local participation. Please note: top-tier entertainment used as an anchor to draw guests on island doesn't equate to a successful event.

The USVI Department of Tourism Division of Festivals has become a leading force in the Caribbean by implementing impactful and targeted marketing strategies, professional and top-tier production execution, and crafting unique and creative on-island visitor experiences. A recent National Public Radio article noted Coachella (America's most attended annual music festival) saw an estimated 15% decline in ticket sales in 2024 vs 2023. This decline renaissance started in 2020, as the global live music industry lost around \$30 billion in revenue, with countless festivals canceled or postponed due to Covid-19. From 2021 to present, there has been a continued surge in Festival cancellations resulting from low attendance, which is due to the lack of the significant financial resources needed for planning, marketing, logistics, and operations of these large-scale events. This industry insight and knowledge allows our team to have an even-handed perspective for gauging any new Festival within the territory. It is important to carefully assess whether the festival can be sustained annually without placing undue financial pressure on the local government's budgets. A strategic funding model, potentially involving public-private partnerships and corporate sponsorships, may be necessary to ensure the long-term viability of these events. (Soundsm.com)(IQ Magazine)

Projections for the event industry is not all doom and gloom, as reporting reflects a demand for food-centric experiences. Culinary tourism, which often involves food festivals and events, has grown in both domestic and international markets, driven by factors like increasing interest in local cuisines, sustainability, and immersive food experiences. A beer, wine, and spirits festival could be a unique draw to a dying industry. Perhaps, we should look at tweaking existing legislation passed for an annual music event and incorporate the promotion of spirits. Act No. 8804 is similar in concept to Bill 35-0257 and a possible merging of the two would be a more suitable measure to ensure success given actual data of late.

The USVI has seen success in the Festival space. We will continue to monitor the trends and best practices to remain competitive in the industry. Regionally, our competitors aren't having major success with their Festivals, but a focus on culinary events centered around our festival could prove to be an added sweet spot, with careful expert execution, Government and private sector Co-op partnerships, and properly outlined objectives used as a guide for measuring the success of Bill 35-0257 would be the best way forward.

In closing, I want to thank the members of the Senate, Governor Bryan, Lieutenant Governor Roach, and the prodigious members of the Department of Tourism for their unwavering commitment to elevating the U.S. Virgin Islands.

Thank you for the opportunity to testify, and we stand ready to answer any questions you may have.

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