



Transcript
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JW MARRIOTT: Thank you Noel and thank you Secretary Mineta for those kind words. My thanks to the Foreign Policy Association for this wonderful award. I am humbled and honoured and accept it on behalf of our 147,000 associates around the world. They are as proud as I am, I know, of this wonderful recognition.

When I think of kind words, I remember my father's favourite restaurant joke. Apparently the traveling salesman went down for breakfast in the dining room in the hotel, and the waitress came to the table and she said, "What'll it be?" And he said, "I'll have my eggs over easy and some kind words." She went back to the kitchen, brought the eggs, set them down, and turned around to go back to the kitchen. He said, "What about those kind words." She said, "Don't eat them eggs."

Well Marriott International will be 80 years old this year, and since the very beginning when my mom and dad opened an A&W Root Beer Stand in Washington DC, we knew how important it was to train and give opportunities to our associates. My folks built the business on the foundation of, "Take good care of the associates, and they'll take good care of the customer, and the customer will come back." This philosophy has been the prime reason for the success of our company, particularly as we have grown around the world. When we opened our first Asian hotel in Hong Kong in 1989, all of our competing hotels were working their employees six days a week. We decided to schedule our associates for five days. We guaranteed them the same hours per week as they were getting for six, but they got a whole day off. We hired some really great people from our competitors, and for years we had the lowest employee turnover of any hotel in Hong Kong. Of course our competitors were very unhappy. The Hong Kong Hotel Association boycotted us, wouldn't let us pick up our guests at the airport, did everything they could to throw sand in the gears, but we knew it was the right thing for us to do because we provided our people in Hong Kong with an opportunity for a better life. Because we've done this, we've grown now to 2,800 hotels, and we've continued to provide those that work for us an opportunity to grow and develop in all parts of the world. In fact, 50% of our hotel General Managers and many of our Senior Executives started out in the entry-level jobs, and there have been many that have been immigrants to our country who have achieved so much.

One in particular is Karl Kilberg. Forty-five years ago Karl immigrated to America from Germany. He was a nineteen year old bakery apprentice, and went to work in one of our bakeries. He worked his way up to Food and Beverage Manager in one of our hotels, and later became the Regional Vice President for our hotels in the western states. Today he is Executive Vice President and has total operating responsibility of all our hotels on the European Continent, a region that generates more than a billion dollars a year in sales.

Today in America there seems to be a troubling debate about our immigrant work force. In my opinion, and I think I am pretty well backed-up by my peers in the lodging industry, we would be simply out of business without access to willing immigrant workers. We need to continue, of course, to secure our borders as best we can. We must make it possible for people of all nations to experience the American dream. As our people are our most important asset, it is vital that we continue to provide opportunities for them and their families.

I know all of you here tonight are travelers. That makes you experts in our industry, for which I am grateful for, but I also recognize that many do not realize what a big industry Travel and Tourism is. In fact, it is a 6.5 trillion dollar global industry. In our country alone, the industry generates almost 1.3 trillion dollars a year, or 10% of our GDP. We also account for one in every eighteen non-farm jobs in America, over 5% of the American work force. This dynamic and global industry has grown about 30% over the past 10 years, mostly because everybody seems to be traveling, thank goodness, and the emerging middle classes in China, India and Eastern Europe are beginning to explore the world. In fact, the Ambassador to the United States from Kazakhstan told me last week that his sisters love to travel to Dubai, and swim in the gulf. But at the same time, America's piece of the world Travel and Tourism pie has shrunk from 9% to 6%.

I am very concerned about this trend and loss of market share. Nobody can stay in business if they continue to lose market share. I am concerned because we are doing so little to reverse the trend. I am concerned because the weak dollar makes America a great bargain for our visitors, and they are not coming like they should. We are one of the few countries that do not have a Ministry of Tourism, whose sole responsibility it is to influence people to travel to our country. Even little Iceland spends more money on promoting travel than we do in the United States government. Last year our Department of Commerce spent almost ten million dollars marketing America, but next year, by feat of congress, they will spend nothing. Australia, on the other hand, spends 120 million dollars promoting itself, and is now the number one desired place to visit. The United States has fallen to number six.

Even more puzzling and frustrating is our visa policy. We make it tough and hard for people to come to America. I certainly understand the need for secure borders. I watched on television on September 11th as the World Trade Centers collapsed on our 800 room JW Marriott Hotel at Ground Zero. The Hotel was destroyed and became a hole in the ground, so I am absolutely convinced of the need to protect our borders. On the other hand, if you are Brazilian and you want to come to America, you have to go to the US Consulate for a personal interview and to be finger-printed. That makes sense

from a security standpoint, but we have only four consulates in Brazil, and the country, of course, is as large as America. Many people must travel hundreds of miles, at great expense to be interviewed. Today, the average waiting time for a visa in Brazil is fifty-five days, and even if you've had a recent visa that's expired, you still have to go through the same process all over again. In the year 2000, 737,000 Brazilians came to America, but in 2005, only 485,000 came. In 2000, Brazilians spent over 2.2 billion dollars in this country. Their spending dropped by 40% to 1.3 billion last year, yet the Real has continued to strengthen against the dollar, making the US a real bargain.

Travel is trade. Just like when we export a pair of jeans, a Boeing Jet or a John Deere Tractor, when one of our hotels here in New York sells a room to a Brazilian, tourists see a show on Broadway, or spend a Saturday morning at Saks, these transactions are US exports. Even better, these transactions don't cost us anything. The infrastructure needed to support this business: transportation, police, emergency services is already in place, and they're not going to send their little kids to school here. Our visa policy is becoming a barrier to our travel/trade, hurting our economy, keeping more Reals, Euros and Rupees from being spent here in America. These barriers not only reduce our jobs, but they erode our country's image. So when we deprive people of the opportunity to see and experience America, we deprive ourselves of new ambassadors for our country, our people and our wonderful way of life.

The travel industry studies show that when people come here they have a very positive experience. 38% of those who have never visited the United States have a good image of America, but of those who come here, 54% have a good image- a 16% increase, 16 points from 38 to 54 percent, if they have visited and spent time in our wonderful country. We in business look at these numbers as a tremendous opportunity, and yet there is a serious risk.

Another area where I fear we are not taking advantage of a good opportunity is in the implementation of the Western Hemisphere Travel Initiative. Many of you probably are not familiar with this, but it creates new rules that would require all travelers, including all of US citizens who travel to and from Canada, Mexico and the Caribbean to have a passport or a special ID card in order to enter or re-enter the United States. So when you travel from Detroit to Windsor, you cannot get back into the United States from Canada without a passport and a special ID card. While I understand and support the security intent, I have serious concerns that our government hasn't made enough progress in implementing this program or communicating with our traveling public. They have not been collaborating with the other countries who will be impacted, like Mexico and Canada, our two biggest tourism trading partners. Homeland security and State have got to get started because the new rules being taking effect January 1 of 2007, and the program is fully implemented by January 1 of 2008. Needless to say, this initiative is not helping our image, or our relationships, or our future tourism dollars.

I talked earlier about America's declining market share of travel dollars, and the impact on the economy. We must be mindful. If we let our image as a country continue to deteriorate, so will our opportunities for development overseas. In the last ten years, for

instance, our company has tripled in size. Today one-fourth of our 2,800 hotels are outside of America. Today, we do business in 66 countries, and our success depends on developing and running great hotels, but it is also driven by the power of being an American brand. We manage and we franchise hotels, we do not own them, and the people who do own them are attracted to American brands. These are local investors in places like London, Paris, Dubai, Mumbai, Moscow, Beijing, and Shanghai, putting hundreds of million of dollars at stake and at risk, banking on the value of American brands. When US projects and Isolationists keep them out, we are discouraging more than travel to America, we are really stalling out an engine of great growth.

We in America cannot afford to be an island. Our economy and the American Travel and Tourism Industry must continue to be a part of the growing global economy. For countries as well as companies, brand matters, and the American brand is one that should always represent hope and opportunity to the world, as well as a great place to visit. Thank you very much. It's a thrill and an honour to be with you. I am thrilled and honoured with this wonderful wonderful award. God bless all of you. Thank you.