

# ECONOMIC IMPACT OF THE FETE INDUSTRY

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# Economic Benefits of the Fete Industry

- ▶ INCREASE IN GENERAL CONSUMPTION BOTH BY CONSUMERS & PRODUCERS
- ▶ INCREASE IN TAX REVENUE DERIVED FROM PURCHASE OF TAXABLE GOODS BY PRODUCERS IN ABST AND CUSTOMS DUTIES & TAXES
- ▶ INCREASING INVESTMENT THROUGH THE PURCHASE OF NEW EQUIPMENT SUCH AS TENTS, SOUND SYSTEMS, FURNITURE, TECHNOLOGY, SOFTWARE, VEHICLES AND EVEN BUILDINGS
- ▶ CREATION OF TEMPORARY, PARTIME, AND FULL-TIME EMPLOYMENT LEADING UP TO, DURING, AND AFTER THE EVENT
- ▶ CREATION OF NEW BUSINESSES WITHIN THE ECONOMY

# Consumption > The Producers

- ▶ Purchase of non-durable goods such as, but are not limited to, food, drinks, alcohol, paper & plastic products, cleaning supplies
- ▶ Rental of durable goods such as but not limited to: outside and inside venues, parking lots, sound system equipment, trucks, stage, lighting, furniture.
- ▶ Actual budgeted figures for an event of 500 people all inclusive event average at EC\$25,000 in Alcohol expenditure and another EC\$15,000 in the rental of equipment and venue from one event.
- ▶ As demand increases and the number of events increases, these numbers continue to grow and peak during the summer months.

# Consumption > The Consumers

Consumption done by the local consumers who attend events increases the revenue of certain businesses especially, but are not limited to, clothing stores, hair dressers, barbers and car rentals.

- ▶ **Clothing stores** interviewed have expressed an average increase in gross sales revenue of 200 percent for a weekend when there is a big event taking place.
- ▶ Several major **car rental companies** were interviewed and stated on average 4 cars will be out on rental for 2 days with an average daily rental of EC\$120 that amounts to **EC\$960** per weekend ... compared to a weekend where there are no fetes when 2 cars will be rented generating EC\$480. That's a **200%** Increase in revenue on weekends when there is an event.
- ▶ **Barbers** interviewed stated they would have anywhere from "*15-25 clients per day in their shops when there is a big event that same weekend*" using an average of EC\$15 per client and an average of 20 clients that yields **EC\$300** in revenue per day. Compared to a weekend with no fetes which would average 7 clients per day yielding EC\$105 per day. That's an increase of **285%** on revenue.
- ▶ **Hairdressers** would average 10 clients a day with an average of \$100 per client yielding **EC\$1,000** whereas on a regular weekend with no events they average 5 clients a day yielding EC\$500. Increase in revenue of **200%**.

# Increased Tax Revenues

- ▶ Most, if not all, the goods and services consumed before, during, and after an event contain ABST especially on the major expenditures alcohol, processed foods, paper & plastic products, and radio ads.
- ▶ ABST on a single line item - Alcohol for an event averaging 1000 people can be as much as EC\$5,000.
- ▶ Many times, goods in the form of paraphernalia and materials are imported from overseas and therefore are subject to custom duties and taxes. However, it should be noted, most if not all of these items are not for resale so therefore no revenue or profit can be recouped from these items.
- ▶ Through the demand and increased consumption of these goods and services, these distributors and service providers also increase their consumption - hence increasing imports, especially in the case of drinks and alcohol, where again customs and import duties are paid at the port.

# INVESTMENTS

- ▶ Many Producers make significant investments in their Fete promotions. This will result in, but is not limited to, the purchase of equipment such as tents, sound system speakers, trucks, furniture, stage & lighting as long term investments in their product in an effort to cut costs.
- ▶ Using one item as an example ... the average price for 20' x 20' tent is US\$1,500 (EC\$4,032) in addition to shipping costs and taxes & duties.
- ▶ Outside of the actual producers of these events, companies seeing the demand for such items will also invest in the items and rent to the producers.
- ▶ There has been a significant increase in sound system rental companies since the increase in the frequency of events. Entire companies have been formed just to facilitate this demand.

# Providing Employment

- ▶ An Event is a big production and outside of a few volunteers, a lot of staff is employed before, during, and after the event.
- ▶ Before the event, which can be as much as a 4-6 months duration, people are employed as: Promotion Teams, Models, Event consultants & Planners, Carpenters, Landscape workers, Brokers, etc.
- ▶ During and after the event Bartenders, Caterers, Servers, Gate Personnel, Security, Police officers, Entertainers, Engineers, Photographers, Videographers, Drivers, etc.
- ▶ Using 2 examples: Hiring 10 police officers at EC\$35 per hr for 6hrs = EC\$2,100. Hiring 10 bartenders at a rate of 150 per night = EC\$1,500.
- ▶ So thousands are paid out every night in wages, thereby creating income and providing purchasing power for these individuals employed.

# Creating NEW Businesses

- ▶ The Fete Industry has created many business places over the years such as but not limited to:
  - ▶ Make up Artistry has become a stable and popular business venture since the increase in the number of fetes. Ladies going out desire they are well made and some cannot do themselves and some have seized the opportunity and gone into that area even getting certified in it.
  - ▶ Videography has also taken off because of the increased demand for not only videos during the event, but videos before and after which are used as a form of marketing. Significant investment also takes place so that they remain up to date with any new technology.
  - ▶ Apps have been created to track events as well as to purchase tickets. The Fete industry was directly responsible for the Ticketing App to be created because of the demand for an easier way to purchase and transfer tickets.

# Creating NEW Businesses...cont'd

**Social Media Marketing** has become a full time job for many because of the increase and frequency of events. Persons are hired to promote, manage event pages, do contests and giveaways etc.

**Event Cleaners** as the name suggests, was born directly from events needing to have the venues cleaned after the event was over. The task became too big for the Promoters and volunteers and this created the need and opportunity for businesses to take up the task.

# Increasing Demand and Innovation for Existing Businesses

- ▶ The Fete Industry has increased demand for many businesses as well such as but not limited to:
  - ▶ Graphic Designers are now employed with more frequency and heavier workload because of the increase of graphics needed outside of just a flyer for events.
  - ▶ Photographers have been around for decades but in recent years the number has increased simply because of the demand to have photographers at events as well as more investment is done by these photographers to make sure they deliver the highest quality pictures.
  - ▶ Promotion Street Teams have grown in popularity and function ... it is no more a few person handing out flyers. The teams employ many individuals who wear branded materials, engage in photo and video shoots, and visit different events. Firms are set up specifically where you can hire promotion girls and models.

# Increasing Demand and Innovation for Existing Businesses ... cont'd

Bartender Services have become more organized due to demand and competition in the industry. Bartender are forming teams to ease the pressure of having to look for bartenders for an event, these bartending service providers will provide you with the staffing you need.

Sound Engineers and Providers have seen a significant increase in both demand and competition which have caused significant investment to stay on top of the game with cutting edge technology.

Entertainment in general from Artiste to DJs have had to increase their skill set and marketability so as to secure employment because of the increased competition. Also The Fete Industry has provided an increase in steady employment for entertainers.

# Negative Impacts of a Contracting Fete Industry

- ▶ If the amount of fetes were to decrease, thus contracting the Fete Industry, it will have a significant negative impact on the economy ...
  - ▶ Decreased Consumption and Investment both strong components are GDP
  - ▶ Decreased Tax revenue from indirect taxes
  - ▶ Decreased income for individuals employed
  - ▶ Decreased revenue for service providers
  - ▶ Decreased imports by Drink Distributors thus decreased customs duties at the port
  - ▶ Increased unemployment due to lay offs and closing down of various suppliers because of lack of revenue
  - ▶ Increase in number of new businesses born out of these fetes having to leave the industry
  - ▶ Decrease in the amount of work for local entertainers because of a decrease in events

# SYNOPSIS

As the overview has displayed the **Fete Industry** is one that has tangible benefits to the economy. It provides increased economic activity, drives GDP, and provides employment and innovation. What has been illustrated here is only a few of the major benefits of having a booming Fete Industry.

The contribution in the form of tax revenue is also greater than most other industries because of the mere frequency to which these events take place. Many items are bought with the sole intention of them being given away and will be thrown away ... yet taxes are still paid on such items at the producers expense.

Creating an environment where these fetes and events become totally unable to function to even break-even, will have drastic effects on the economy and no one wants the economy growth to slow down when it can be avoided.

Let us all work together to build and sustain this **Fete Industry** because the benefits are far reaching.