

Bahamas

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Sailing with the new tide

One of the most modern Caribbean nations, the Bahamas is back in business

With its turquoise-blue seas, magnificent resorts, signature golf courses and tropical climate, tourists flock to the Bahamas in droves every year, but as savvy investors know, there is much more to this archipelago than white-sand beaches.

As well as being close to major North American and Latin American financial centers, and only 50 miles from the US coastline, the Bahamas has enjoyed a stable democracy since 1729. It is in the same time zone as New York and boasts a highly trained, English-speaking workforce. Celebrated as a low-tax jurisdiction, it has a sophisticated infrastructure and proactive incentives for investment.

Having emerged from the global financial crisis intact, the Bahamas is keen to be the partner of choice for Chinese investors looking for Caribbean opportunities. Diplomatic ties have been developing between the two countries since 1997, with 2012 marking a poignant 15-year anniversary. Bilateral agreements have been signed on a wealth of issues, including the economy, trade, maritime transactions and the protection of mutual investments, and there are memorandums of understanding on the implementation of Chinese tourism groups to the Bahamas and agricultural collaborations.

Chinese enterprises have invested \$150 million in the country to date, and provided \$2.45 billion in commercial loans. For its part, the Bahamas has invested in almost 200 projects in China, amounting to around \$190 million. The Chinese have donated a \$30 million national stadium to the Caribbean country, and are heavily involved in a number of mega projects, including a highway connecting Lynden Pindling International Airport to Nassau's Thompon Boulevard, and the mind-blowing Baha Mar resort.

In September 2012, Bahamas Prime Minister Perry Christie opened the new Chinese chancery in the Bahamas in the presence of Chinese Ambassador

Hu Shan. "The opening of this new Chancery introduced a new chapter in Sino-Bahamian relations. With this physically permanent diplomatic presence, we trust that the roots of our friendly relations and work in the international arena will only grow deeper," he said.

Baha Mar raises the game

One of the most exciting mega projects that China is involved in is the \$3.4 billion Baha Mar resort. Funded principally by the Export-Import Bank of China, or China Exim Bank for short, \$150 million from contractor China State Construction Engineering Corp, the project will give new life to the breathtaking property resort that was abandoned shortly after the global financial crisis. Thanks to Chinese involvement, Baha Mar will now be open for business in 2014, something chairman and CEO Sarkis D. Izmirlian is delighted about.

"From the moment we started brainstorming this project, we said we were going to create something for the Bahamas. We are taking the beauty and the history of this country and celebrating it. It will have an impact on the culture of the country. We are embracing the people of the Bahamas, training them and creating a better opportunity for them and their children."

The resort is certainly one of a kind. Spanning 400-hectares, the resort, gaming and entertainment complex will boast some of the world's most famous luxury hotel brands, including Rosewood Hotels & Resorts, Mondrian, and Hyatt Hotels and Resorts, as well as the new dazzling Baha Mar Casino & Hotel, creating more than 2,200 new rooms. Within the hotels, Baha Mar plans to develop 307 highly exclusive, ultra-luxurious residential condominiums and villas, available for private ownership.

Baha Mar's stunning, new 9,000 square meter casino will be the largest in the Caribbean and comparable only to the best in Las Vegas. The whole project will create



Baha Mar will be a symbol of what China can do in this part of the world. My goal is to have people come here and just say 'Wow!'

SARKIS D. IZMIRLIAN
CHAIRMAN AND CEO, BAHA MAR

around 8,000 jobs on completion.

Baha Mar will also feature one of the most advanced and versatile convention facilities in the region, with a combined 19,000 square meters of space, portions of which can also double as an entertainment and sports venue. Other amenities will include 19,000 square meters of retail and entertainment experiences, combining upscale shopping boutiques with authentic Bahamian arts and crafts galleries, chef-branded restaurants and exciting nightclub and entertainment offerings.

An Eco Water Park, extraordinary pools and two unique spas will be set along a kilometer of one of the most pristine beaches in the world. The planned 18-hole Jack Nicklaus Signature Golf Course will be one of a select few such top-tier Nicklaus courses, bringing a new, true championship course to the Bahamas.

Vote of confidence

The Baha Mar project is the first of its kind to be financed by Exim Bank, which is usually involved in infrastructure or mining projects.

As Izmirlian noted: "I think this shows a big vote of confidence in the Bahamas, and also shows how strategic and strong the relationship



PHOTO PROVIDED TO CHINA DAILY

(From left to right): Bahamian Prime Minister Perry Christie, musician Lenny Kravitz and Baha Mar Chairman & CEO of Sarkis Izmirlian meet with artists from the National Art Gallery of the Bahamas.

is between the Bahamas and China. I will always be thankful to Exim Bank, because they stayed with us as partners. Chairman Li Ruogu of Exim Bank is a very strong supporter of the project.

"Baha Mar will be a symbol of what China can do here in the Bahamas and this part of the world. I think it will be an amazing showcase for the craftsmanship of Chinese companies and workers. My goal is to have people come here and just say 'Wow!'"

Izmirlian and his team are hoping to attract more Chinese travelers to this beautiful resort.

"We are not that far away," he said. "We are working to create direct airlift from China to the Bahamas. The Chinese and Bahamian governments are working closely to ease the visa procedure. We have to be competitive to attract Chinese tourists and the only way to do it is to make it simple for them."

"The Chinese market is important for us. We launched our residential sales last spring. The first markets we approached were Beijing, Shanghai and Hong Kong and there has already been huge demand."

"People are realizing the advantages of investing in the Bahamas. We offer prime level residences, there is no taxation, there is a clean offshore financial sector, but most importantly, you are in Baha Mar. You can choose one of three brands: each has different characteristics, designs and appeals to different

types of customers. Through our residential program, you can occupy the residence for three months of the year and for the rest, rent it out as a hotel suite. You get a very good return on investment that way."

For Minister of State for Investments Khaalis E. Rolle, the Bahamas' popularity with investors has been increased by transparent system of governance.

"We have been the largest hub for FDI among the small island states for many years. In the past year

be ready to welcome Asian clientele in terms of services as well as teaching the languages. Thanks to the Confucius Institute, more Bahamians will be able to speak Mandarin and students will have an opportunity to study in China, understand its culture and so on. We have a stable democracy, high-literacy rates, great transport links, with flight connections to Europe, and the Americas.

"We have a very high-quality of life and a high-level of technology

Baha Mar is being built with an understanding of Chinese culture so we will be ready to welcome Asian clientele."

JOY JIBRILU
DIRECTOR OF INVESTMENTS, BAHAMAS INVESTMENT AUTHORITY

alone, the Bahamas has received \$1.5 billion," he said. "We've done a great job in promoting the Bahamas and will continue to do so."

As well as tourism opportunities, Rolle is keen to grow the agricultural sector. The Bahamas currently imports 95 percent of food but hopes to benefit from Chinese know-how and technologies to increase the scope of the partnership it is currently enjoying.

Joy Jibrilu, director of Investments at the Bahamas Investment Authority said: "Chinese tourists will be attracted by Baha Mar—it is being built with an understanding of Chinese culture so we will

—visitors can use all devices here and keep in contact with anyone else in the world."

Geoff Houston, CEO of the recently privatized Bahamas Telecommunications Co. stated: "We are quickly becoming a more customer-focused organization. We are getting the business ready for 2014 when the market will be liberalized. "We have spent around \$35 million improving the service and modernizing the facilities and will continue to invest, introducing new technologies and offering clients a unique experience."

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Maximizing assets for growth and development

The Bahamas strives to be a Caribbean hub for financial services and transport links

As the Bahaman economy's second-largest contributor after tourism, the financial services sector boasts 277 licensed banks and trust companies attracting offshore business from mainly Canadian, Swiss and US institutions. Supervised by the Central Bank of the Bahamas, the sector offers international business companies a vast range of funds and investment options. No taxes are levied on personal income, capital gains, corporate earnings, sales, inheritance or dividends.

Plans are now under way for the jurisdiction to become a global competitive international business center for private wealth management, capital investment in the Americas and emerging markets and residency.

As Wendy M Craigg, governor of the Central Bank of the Bahamas said: "The surveillance oversight activities we carry out over our licensed institution and activities to ensure our regulatory regime aligns with international best practices, is competitive and conducive to the growth of business here."

"Strengthening the links between SMEs and the main economic sectors remains a desirable objective. This would certainly include exploring opportunities for greater vertical integration of agriculture and fisheries activities with the tourism sector, which has a high food import content. China has a long history of successful rural small-scale farming and the ability to produce quality foodstuffs from family farms with minimal use of artificial fertilizers. Such expertise could prove useful as we continue to develop our agricultural sector."

"The discussion of energy alternatives is certainly gaining currency as a credible means of dealing with the high energy costs the country continues to grapple with."

Governor Craigg expects the Bahaman economy to continue on the mild growth trajectory it has observed over the past three years.

"The recovery is being supported by a more positive outlook for tourism, combined with foreign investments in this industry and public sector infrastructure projects which are providing important job opportunities," she said.

Michele CE Fields, Superintendent of Insurance at the Insurance Commission of the Bahamas explained how the infrastructure is now established for international business.

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WENDY M CRAIGG
CENTRAL BANK GOVERNOR

"We have a very wealthy and developed financial services industry so we take leverage of that," she said. "We have well trained lawyers, accountants and so on. We have also developed a risk based supervised framework. We have the capacity for a flexible and adaptable approach to the market. The commission's philosophy is to have high-quality business. We have a good reputation that we want to maintain."

Ryan Pinder, minister of financial services would like to see Chinese financial institutions establish a presence in the Bahamas to help facilitate the flow of capital from Asia into the Americas.

"With our diplomatic relations, we are best placed in this hemisphere," he said. "Being independent, we can legislate for ourselves and create our own policies and that puts us ahead of the game." Investors

looking for sound advice on investments will find expert help available at the Private Trust Corporation Ltd. Providing a complete spectrum of services revolving around their core business, the client-driven company has been built on professionalism.

"The Bahamas has been independent since 1973—other jurisdictions in the area are UK-oriented," said managing director Adrian Crosbie-Jones. "We have been in this business for a long time. If you look at the structure of our financial infrastructures, you will notice that only 4-5 percent of entities are foreign. Having local financial operators give much more stability."

Established in 1985, Equity Trust Bahamas Limited is one of the leaders in the offshore business and also ready to offer high-level support to Chinese clients.

"The potential of our financial sector is unlimited," said chairman Gilbert Cassar. "We recognize that the financial market is very competitive but the country has all the skills to succeed as a destination of choice for investments because we are the best for providing financial services."

"The world is now a village and the market has become more sophisticated and new products have developed during the years so it's important to be flexible and adaptable to client needs. The biggest challenge in this industry is the constant change, so you must be versatile and ready to provide solutions to problems."

Getting better connected

During the economic downturn, the Bahamas government commenced substantial infrastructural development initiatives, including the redevelopment of the country's principal airport, the deepening of the Nassau Harbor and the creation of a new cargo port outside the city of Nassau. It is also in the midst of extensive upgrades to existing road arteries and thoroughfares.

"The airport will be a premiere class airport in the Caribbean, and, along with Baha Mar, will place the Bahamas as world-class destination," said Glenys Hanna-Martin, Minister of Transport and Aviation. "In the meantime, the Bahamas Maritime Authority plays a vital role in the cruise industry that drives the Bahaman economy. The maritime sector is a work in progress, a source of untapped potential in the Bahamas — and we are in the process of tapping it as we speak." When the first ship was registered in the Baha-



PROVIDED TO CHINA DAILY

The Bahamas basks in investment potential.

mas more than 30 years ago, few realized that the fleet would grow to its current position as one of the world's largest Registers with over 50 million gross tonnage of ships flying the Bahamas flag in every corner of the globe. The Bahamas Maritime Authority was duly established in July 1995 to register vessels, enforce ship safety requirements and constantly monitor and improve standards.

Quality and excellence are expected from all Bahamian-registered ships, their owners and crews and the BMA is proud of its reputation

town Nassau at the mouth of Nassau Harbor. Safe, efficient and high-tech, the container port can process more than one million tons of bulk aggregate materials and cement per year. "Container volumes could double overnight and the port is capable of meeting this demand. The Nassau Container Port stands ready to serve the world," said CEO Michael Maura Jr.

Meanwhile, Michael Darville, minister for Grand Bahama is excited about the potential of Freeport, an international port and industrial center set within his beautiful, life-

It is important that China and the Bahamas support the energy sector and identify major investment areas.

LESLIE O MILLER
EXECUTIVE CHAIRMAN, BAHAMAS ELECTRICITY CORPORATION

throughout the international shipping industry. As Anthony Kikivarakis, chairman of the BMA said:

"The Bahamas is the main maritime center in the Caribbean: we certainly have a star — Freeport in Grand Bahama which is the major transshipment area. The maritime sector has tremendous potential. We are looking into the Chinese market and have a small office in Hong Kong. We would like to see more Chinese vessels registered in our country, especially yachts."

Nassau Container Port is a strategically located port facility for container and general cargo shipping in the Caribbean, and beyond to North America and the world. The 56-acre port facility is located on Arawak Cay, just two miles west of Down-

style city jurisdiction.

"Gran Bahama has much potential. Our deep water harbor, abundance of land and state of the art infrastructure makes our island ideal for attracting investments. Within the next few years, the Ministry for Grand Bahama will aid in charging a course to a brighter future, and by extension, the overall economy of the Bahamas."

Carl-Gustaf Rotkirch of the Grand Bahama Shipyard Limited agrees.

"Thanks to our three dockyards, we have the flexibility to receive a wide variety of ships and ever since the beginning, have worked very hard to build a strong reputation. The first priorities for us are to deliver on time and provide top quality work, but we also operate at very



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competitive costs. We have done a number of upgrades for cruise liners and other large projects."

Energy alternatives

As part of its commitment to implementing a diverse range of sustainable energy programs, the Bahamas has drawn up a series of policies aimed at developing alternative energy sources, expanding business opportunities in the sector, increasing energy efficiency and managing the demand on fossil fuel.

The Bahamas Electricity Corporation is a pivotal part of making this happen. For more than 50 years, the company has been committed to providing customers with safe, reliable electricity in a cost-efficient manner and serves approximately 85 percent of all electricity consumers in the nation. Solar energy is currently a prime focus.

"This year, we are hoping to sit down with major Chinese solar panel producers to negotiate supplies of their technology at competitive prices," said Leslie O Miller, executive chairman. "It is important that China and the Bahamas support the energy sector and identify major investment areas. I congratulate the new Chinese Premier and wish him the best for his 'journey.' I look forward to having a harmonious working relationship with people and entities from China."

InFocus provided the story

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