

THE BAHAMAS

The Caribbean's most popular holiday spot is also an investors' paradise

Islands of opportunity

The Bahamas has long been renowned by European and North American tourists for its paradise beaches and crystal clear waters, but is also now gaining recognition for its economic management and rapidly diversifying economy. The country has, by a wide margin, the highest GDP in the Caribbean region and is only a very short flight from Miami.

Besides U.S. proximity and picture-postcard vistas, the Bahamas also offers a wealth of opportunities to the investor. "There are few environments in our region that offer the kind of political and macroeconomic stability, and the traditional certainty that the Bahamas offers today, as well as a lifestyle that is unmatched in the rest of the world," says Zhivargo Laing, minister of state for finance.



Zhivargo Laing,
Minister of State
for Finance

just one recent arrival, although a huge amount of beach-front and ocean-view real estate remains to be developed," Laing says.

Tourism, together with tourism-driven construction and manufacturing, accounts for approximately 60 percent of GDP and has proved economically resilient even in recent years, while financial services constitutes the second-most important sector of the economy. When combined with business services, the sector constitutes about 30 percent of GDP, with the Bahamas home to more than 250 international banks and trust companies, largely from the U.S., Canada and Switzerland. Some 60 institutions are licensed to provide fund administration while 93 companies provide broker-dealer and other advisory investment services.

Both tourism and financial services are highly diversi-

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The Hotel Corp. of The Bahamas

fied and ever moving into new niches, although Laing states that other new possibilities exist. With Grand Bahama island only 120 km from Miami and hosting the biggest deep-water port in the Americas, "there are many opportunities in terms of us becoming a transshipment hub, especially for the Asian market," he says. "The Bahamas lies on the main shipping routes into the Caribbean and through the Panama Canal to the Pacific and Asia, and could become a Hong Kong of the West."

Although Japanese investment in the country has been minimal to date, there is significant Japanese acquisition in the Grand Bahama Utility Company, and a famous ambassador to Japan in the form of award-winning actor Sidney Poitier. "Besides the major new tourism projects, there are opportunities for Japanese involvement in the electronic goods market and in the renewable energy sector, as well as in the export and processing of our very plentiful fish and lobster resources," Laing says.

The Hotel Corporation of The Bahamas is one of the entities that has most effectively propelled the development of both the major islands, and now the less-populated outer "Family Islands." In the early 1990s, it sold off failing hotel operations to foreign investors with commitments to redevelop them, creating the successful Cable Beach hospitality hub.

Now, the corporation has several aims: to divest itself of its various real estate holdings through sustainable development projects, and to advise and assist the government, both in developing new megaprojects, such as the new Baha Mar Cable Beach Resort, and environmentally-friendly, low-density boutique hotels, both luxury and midrange.

"We want development to be low-key and harmonized with the settlements that surround resort properties," says Hotel Corporation Chairman Michael Scott. "This kind of development lends itself more easily to integration with population centers adjacent to these developments, and minimizes the risk of social displacement and the other negative aspects of tourism."



Leon Williams,
President and
CEO, Bahamas
Telecommunications
Company Ltd. (BTC)



Michael Scott,
Chairman,
The Hotel
Corporation of
The Bahamas

The government also aims for Bahamians to have a stake in foreign tourism development by being given an opportunity to invest therein, either directly or indirectly through institutions such as pension schemes.

Besides owning 2,800 hectares of land on Andros and 1,400 hectares on Eleuthera, the corporation is currently involved in a bold joint venture with the Boston-based IGroup to develop infrastructure on the far-flung southern island of Mayaguana, which currently houses only 400 inhabitants. Scott points out that although U.S. tourists still account for 75 percent of visitors, other markets, including Asia, are now a priority as a source of both tourists and upscale chain hotel development.

The Bahamas' excellent infrastructure is a major reason for

its economic growth and attraction of overseas investment, and it is known to have the best telecommunications system in the Caribbean and Central American region, thanks to the 115-year-old Bahamas

"My highest priority has been to change the DNA of this organization from technology-driven to market-driven."

Leon Williams, President and CEO, BTC

Telecommunications Company Ltd. (BTC), which is also slated for privatization later this year.

President and CEO since 2005, Leon Williams also chairs the Caribbean Association of National Telecommunication Organizations, and is working on increasing the region's global presence, which includes part-

BTC began installing a fiber-optic submarine cable connecting 14 of the major islands in the Bahamas, costing \$60 million. In addition, a submarine fiber-optic cable link was installed between the Bahamas and Haiti, to the south, boosting the poorer nation's ITC capabilities. "Apart from avoiding hurricane

damage, the submarine cable gives us robustness, and now all the main islands are interconnected, allowing us to provide across-the-board GSM and Wi-Fi," says Williams.

This year will see \$50 million invested in a digital network allowing Bahamians to receive the best services in terms of video, TV and the Internet. By 2009, BTC will spend about \$72 million on the provision of IPTV, further guaranteeing the reliability of services as digital television and services delivered via Internet Protocol, eliminating cable and traditional broadcast infrastructure.

The Bahamas is also among the most connected in the world for roaming agreements. "In 2008 we want to make sure anyone from any country will be able to have their phone working when they are in the Bahamas," says Williams. "We have signed agreements with 181 partners and are working toward a target of 400."

This report can also be read online at www.japantimes.co.jp/international-reports



Quality living, Bahamas-style

Bahamas fast facts

Location: Northern Caribbean Sea, 65 km from Miami at closest point
Total area: 10,070 sq. km, approx. 700 islands in archipelago
Population: 330,000
Official language: English
GDP: \$6.586 billion (2007 est.). +2.8% growth
GDP per head: \$22,700 (2007 est.)
Inflation rate: 2.4% (2007 est.)
Main industries: Tourism and banking

Paradise: Where East Meets West

The Bahamas is offering prime real estate opportunities for luxury tourism developments. Contact us now to discuss the possibilities.



The Hotel Corporation of The Bahamas

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