

Post Conference Communique

Invest Turks and Caicos 3rd Annual Economic Conference



Strengthening Our Domestic Investment Landscape

May 24th, 2022

Beaches Turks & Caicos Resort Village & Spa

Conference Overview

Invest Turks and Caicos Agency (Invest TCI) hosted its 3rd Annual Economic Conference on Tuesday, May 24th, at Beaches Turks & Caicos Resort Village and Spa. Under the theme "Strengthening Our Domestic Investment Landscape," the one-day conference brought the Government, the business community, and other stakeholders together to discuss the future of investments in the Turks and Caicos Islands, TCIG's proposed policy changes, and economic trends and their impact on the Islands and all stakeholders.

The key area of focus of the 2022 conference was the development of a roadmap for investments in the Turks and Caicos Islands, including the Government's vision, policy changes, and investment opportunities that benefit Turks and Caicos Islanders. The conference highlighted the strategic focus for Invest Turks and Caicos, examining the path towards economic resilience for the Turks and Caicos Islands.

Key Address

Walter Gardiner, The Deputy Chairman of Invest Turks and Caicos

The Deputy Chairman of Invest Turks and Caicos, Mr. Walter Gardiner, began the conference with his address by stating "that the eyes of the world are currently on The Turks and Caicos Islands, as we are making record-breaking numbers of tourists to our shores." He also pointed out that many Turks and Caicos Islanders feel marginalized and that the success is not trickling down as they live paycheck to paycheck. He urged the attendees to not only be a face in the crowd but to engage in the day's conference because the conversation and discussions would be considered when reviewing new investment policies.

Hon. Charles Misick, The Premier of the Turks and Caicos Islands

The Premier of the Turks and Caicos Islands, Hon. Charles Misick also addressed the conference with his view on investment within these islands. He emphasized the need for smart regulations so that the people of the Turks and Caicos Islands can benefit from foreign investments and a levelled playing field between foreign and domestic investors. Highlighted was the need for excess to capital, improving the skills of our people, economic spinoffs, money retention, and creative linkages. Hon. Misick also noted that "the government is embarking on a new investment policy to ensure that it is more informative and aligned with the Vision 2040 document."

Hon. E. Jay Saunders, The Deputy Premier of the Turks and Caicos Islands

The Deputy Premier of the Turks and Caicos Islands, Hon. E. Jay Saunders added to the investment conversation noting that, “The Turks and Caicos Islands Government has a significant role to play, especially in domestic investment, by setting the vision. By 2040, a united Turks and Caicos will be a global leader in level prosperity and human development. Our people will be positioned fully to be responsible for the collective future of our nation. We will have a resilient country that will balance the social and economic environment development for the greater benefit of our people, focusing on areas like human capital development and social development.”

Mrs. Carolyn McDonald-Riley, Director of the Tourism Linkages Network, Tourism Enhancement Fund, Jamaica

The Director of the Tourism Linkages Network, Tourism Enhancement Fund, Jamaica (TBD), Mrs. Carolyn McDonald-Riley, was the keynote speaker for Invest Turks and Caicos’ 3rd annual conference. She shared her experiences and implementations made by the government in Jamaica. Mrs. McDonald-Riley mentioned that the “global tourism market is overly saturated, international travelers are no longer predictable in their interests, taste.” Travelers between the ages of 16 and 34 are the most traveled and are demanding creative, customized experiences. Hence, the Caribbean must reevaluate itself as the market is very competitive. She noted strategies implemented by the government of Jamaica, such as:

- Identifying new products
- Identifying new partnerships
- Identifying new investments and markets

Examples

- Speed networking event putting suppliers and tourists in the same place monthly to forge business opportunities.
- Gastronomy Tourism
- Agro Linkages
- Increasing country events

After the presentation by the keynote speaker, the attendees were split into three groups to engage in a dialogue on specific topics catered to each group, as well as answer allocated questions for each breakout session.

Breakout Session 1

Breakout session one was facilitated by Carolyn McDonald-Riley, Director of the Tourism Linkages Network, Tourism Enhancement Fund, Jamaica, and Candice M. Williams (EdD), Lecturer/Assistant to VP, TCI Community College, under the topic “Creating and deepening linkages, creating a platform for domestic businesses to leverage FDI.” There were two questions to be answered during this breakout session. Below is the feedback.

Questions

1. How do we improve linkages between FDI, institutions, and local communities to ensure Turks and Caicos Islanders benefit from job placement, training, etc.?
2. How is this reflected in the Investment Policy statement?

Feedback

1. Explore the passion points in the TCI:
 - a. What makes us unique compared to everyone else?
 - b. Consider the market for support services; there are branching opportunities from the core or staple tourism businesses.
 - c. Opportunities can be explored in telecommunication, social media, existing infrastructure, and transportation (e.g., Party bus, religious bus, a branded/niche party bus).
 - d. Think outside the box.
2. Community Tourism
 - a. Identify products and build capacity within the community by having mini local trade shows and community symposiums to raise awareness and interest in developing businesses within the Tourism and Hospitality sector.
 - b. Provide products that build from existing infrastructure.
E.g., in some countries, Poultry farms are both producers and attraction sites.
 - c. Restaurants – attraction could also be cooking classes.
 - d. Multiplier effect – expanding on each product giving rise to new products
- E.g., Embroidered pillowcases.
3. Technology
 - a. Use the digital space.
 - b. Create niche products within the digital space.
 - c. Leverage social media.
 - d. This is a particular industry that can be developed with young people providing education and training to ensure content is tasteful and reflective of the five-star brand.
4. Quality
 - a. Ensure training on quality.

- b. Quality – consistency, how to set reasonable prices, service punctuality, digitalization of operations.
- 5. Trade shows
 - a. Local and international trade shows – marketing blitz with private sector and government:
 - i. Showcase made in TCI.
 - ii. Showcase unique culture and historical sites.
 - iii. What are we good at, and what is unique about us?
 - b. Create more significant linkages with the other islands – TCI is more than Provo and Grand Turk.
 - c. Showcase products on agriculture, heritage, and fishing – promote these products and services also.
- 6. Domestic Tourism
 - a. Wades Green Plantation – more excellent promotion as a tourist attraction.
 - b. Create linkages between the farmers and the hotels.
 - i. Source of products – not only ornaments and art but also food.
 - ii. Ensure reliable ferry services for the movement of goods and services.
- 7. We are a five-star destination, ensure all efforts continue to be made to ensure the experience begins from pre-arrival, airport, highway, streets, taxi, etc.
 - a. Promote the Brand of Beautiful by Nature in every sector – beyond the walls of the hotels and reflected within the community – infrastructure, businesses, environment, etc.
 - b. Community Projects – Home/Beautiful yard competitions.
 - c. In school – strategies to teach about entrepreneurship, internship programs in the tourism and hospitality sector, more activities that strengthen the connection between young people and tourism so that they increasingly see themselves as part of the solution via careers and diverse entrepreneurial opportunities. Everyone cannot be a taxi driver.
 - d. Tourism is about making some other persons wealthy, so what is in it for me? – show them what is in it for them because tourism is everybody's business.
- 8. Foreign Direct Investment
 - a. Brings resources, knowledge, and expertise.
 - b. Government in the development agreements should emphasize the transfer of knowledge to build local capacity. This should be a part of the concessions to invest in local capacity building via funding of scholarships and apprenticeships, e.g., project management and hotel management, air conditioning systems, elevator repairs and maintenance, electricians, plumbers, architects, etc.
 - c. There is a skills gap in TCI – there should be a mandate to train local people to build capacity within the community, and developers should identify how they will contribute to human capital development.

- d. Enforcement of any mandates related to capacity building within the development agreements. There should be audits conducted for compliance.
 - e. Ancillary businesses surrounding construction, operation of resorts
 - i. Outsourcing of local businesses to expand and build up their capability.
 - ii. Hoteliers often want to retain the highest activity services of their operation in-house and outsource others.
 - iii. These can be very profitable, e.g., laundry, landscaping, pest control, etc.
9. Suppliers Directory
- a. Similar to TCREA
 - i. Directory of suppliers
 - ii. Collective advertisement.
 - b. Responsible entity for maintaining the website and registering entrants.
 - c. Revive the small business association.
 - d. Chamber of Commerce could play a significant role in maintaining the directory
 - i. Responsible for maintaining the directory
 - ii. Membership enrolment and membership drive.

MSME and FDI

- 1. Digitalization and Innovation
 - a. Foster agility and improved responsiveness in the business.
 - b. Training needed.
- 2. Banks
 - a. Banks are critical for access to capital and line of credit.
 - b. Banks require:
 - i. Clear flow of funds
 - ii. Cost of accounts review showing a transaction history
 - iii. Some MSMEs do not use the banks fully and hence have limited transaction histories
 - iv. Lack of a proper business plan especially identifying return on investment and projections
 - v. Lack of financial statements to show that they can repay the loan.
- 3. Feasibility studies
 - a. Past studies to be shared via training sessions and community symposiums
 - i. These sessions do not have to be face-to-face and can be online.
 - b. Studies that will provide ideas for product and service diversity and raise awareness for investment opportunities.
 - c. Goal – find those niches, share, and encourage local investors to respond.

4. Training and Education

- a. Competent and trained workforce is key.
- b. Create more certification programs for those involved in the tourism and hospitality sector and expand the list of offerings, eg. The DJ certifying program.
- c. Training on business plan – accessing viability and return on investment.
- d. Encourage persons within the community to see this as a private business – writing business plans.

Breakout Session Two

Break-out session two was facilitated by Gordon Burton, Managing Director, Caribbean Management Services Limited, and Hon. Temard Butterfield under the topic “Expanding the scope of investment opportunities in sectors other than tourism.” Three questions were to be answered during this break-out session. These were the feedback.

Questions

- a. Looking at value propositions of sectors beyond tourism and how domestic investors can position themselves to invest in these sectors.
- b. What actions must be taken by the government to attract investment into these sectors.
- c. How is this reflected in the Investment Policy statement?

Feedback

The idea was to move away from the primary tourism industry to explore other sectors. This breakout session recognized six areas in which the country can invest to help develop these islands.

- The use of Energy- wind and solar.
- Financial Services Industry- it was noted that this industry already exists and may need heavy regulatory bodies to ensure the upkeep of this industry as it is not easy to ensure money is not being laundered. Using corporate institutions as a linkage to support these entities.
- Developing cryptocurrencies- today’s world is moving to be more digitized, and as such, we in the Caribbean have the downfall of being behind in technology advancements. Especially noting the closures of multiple bank branches within the Caribbean may be a route the country and financial institutions may want to investigate.
- FinTech – another financial service offered by technology.
- Deep water ports- this will act as a base of transport for other territories within the region which will help boost revenue for the Turks and Caicos Islands while lessening the export cost.

- Agro Business- looking into our farming for domestic investment and international export.
- Education- creating university-type towns comprising restaurants, hotels, housing, and nightlife on other underdeveloped islands to encourage visitors.

Breakout Session Three

Drexwell Seymour CPA, MBA, Partner, at HLB TCI Ltd. facilitated break-out session three, assisted by Damian Wilson, Chart. PR MCIPR, Deputy Director, Radio Turks & Caicos Islands.

Under the topic “Creating the enabling environment,” four questions were answered during this break-out session. These were the feedback.

Questions

- a. How can we position Turks and Caicos Islanders as the primary beneficiaries of FDI?
- b. Are domestic policies maximizing the benefits of foreign presence in the domestic economy.
- c. How do we address the need for Human Capacity Development?
- d. How is this reflected in the Investment Policy statement?

Feedback

- a. How can we position Turks and Caicos Islanders as the primary beneficiaries of FDI?
 - i. Educate Turks and Caicos islanders regarding their worth when partnering with investors.
 - ii. Provide training on the business environment (the financials, the operations of the business, risks, etc.,)
 - iii. Ensure Islanders are aware of how to quantify their value as a partner (i.e., land, access to the reserved category).
 - iv. Provide more accessible access to funding.
 - v. Expose persons to new and innovative business ideas.
- b. Are domestic policies maximizing the benefits of foreign presence in the domestic economy.
 Policy amendments are needed regarding:
 - DA's/concessions tailored for Islanders
 - Auxiliary services should be reserved for locals
 - Investor PRC requirements should be increased to bridge the gap between Providenciales and the family islands

- Government should lead by example by being an investor and providing a means for locals to invest (as with the port project in the Bahamas where locals can purchase shares in the project).
- c. How do we address the need for Human Capacity Development?
- i. There should be a quota system in place (currently in the discussion by gov).
 - ii. Constantly review the scholarships awarded to ensure that they are aligned with Gov priority areas to goals for the country.
 - iii. Population Policy (currently in the discussion by gov).
- d. How is this reflected in the Investment Policy statement?
- i. Many are not aware of the policy, which is dated 2018. This speaks to how important communication is and the fact that it needs to be improved.
 - ii. Constant collaboration and consultation are required to refine the policy.
 - iii. We need to be intentional in our approach and actions.
 - iv. Inclusivity is needed.

The general points were:

- Many people are unaware of the policy. There should be more information communicated regarding the same.
- The policy should be placed on ITCIA's website
- The policy should assist the local partner while laws should be imposed to prevent "fronting" (a delicate balance needs to be fostered).
- There should be a policy that addresses explicitly benefits offered to local investors.
- Training in the business environment is crucial for assisting local entrepreneurs.
- Access to funding is a significant challenge, followed by a comprehensive ICT infrastructure that fosters ease of doing business.
- Eliminate Government related "red tape."
- Invest TCI should create an easy but comprehensive Joint Venture environment for domestic and international investors.
- There is a significant communication problem with getting information to the public from gov which needs to be addressed.

Conference Round-up

In conclusion, the acting CEO of Invest Turks and Caicos, Mrs. Angela Musgrove, addressed the conference as she noted that this would be the second set of stakeholder inputs as part of the investment policy review. Mrs. Musgrove stated that the MSME Programme would look into mandatory training and additional support through

financials, marketing, and customer services to its MSMEs and others who wish to learn. In addition, she noted that the Encouragement for Development Ordinance and Investment Policy are under review; the revised policy would encourage more local partnerships and provide greater incentives to FDI with local partnerships. In closing, she encouraged locals who wish to invest in the Turks and Caicos Islands to do so as concessions are also offered to them as we welcome our people helping to develop this country for the betterment of its residents.

Actions

Action Items	Timeline	Responsibility
Discussion Point 1: "Creating and deepening linkages, creating a platform for domestic businesses to leverage FDI."		
1. The development and Implementation of a comprehensive Linkage Programme which prioritises increasing economic activities between FDI/DDI and local MSMEs.	Q4	Invest TCI
2. Examine the need for a National Training Institute to address skills gaps identified across all sectors.	Q3	Ministry of Labour
3. A re-envisioned Marketing and Promotions Plan for the Tourism sector that focuses on new consumer trends, embraces the use of technology and builds on TCI's comparative advantages in the global market space.	Q4	Ministry of Tourism
4. Develop a B2B online marketplace to link investments and suppliers.	Q3	Invest TCI
5. Increased targeted training programmes in key business areas to support the development of local entrepreneurs and MSMEs.	Q2	Invest TCI
6. MOU between the Financial Institutions and the DFU of Invest TCI to create partnerships towards increasing access to capital for local businesses.	Q4	Invest TCI
Discussion Point 2: "Expanding the scope of investment opportunities in sectors other than tourism."		
1. Develop a new Energy Policy which focuses on transitioning the country away from fossil fuels to Renewable Energies and incentivizes residents and businesses to embrace RE/EE solutions.	Q4	Ministry of Utilities
2. Implement the recommendations made in the KPMG's Strategic Analysis of the TCI's Financial Services Sector.	Q4	Ministry of Finance and Invest TCI
3. Develop Sector Strategies for Agriculture, to include Agri-business, and Financial Services.	Q4	Invest TCI
Discussion Point 3: "Creating the enabling environment,"		
1. Ensure the new Investment Policy benefits from a broad cross section of stakeholder inputs and is promoted widely across the country.	Q2	Invest TCI
2. Ensure the new Investment Policy has a focus on creating an enabling environment for local investors to be more engaged in the investment landscape.	Q4	Invest TCI
3. Conduct a benchmarking assessment for each of the key sectors to better understand the challenges and gaps in the environment.	Q3	Invest TCI
4. Development of a database of qualified local deal flow seeking financing.	Q3	Invest TCI