

## TURKS &amp; CAICOS ISLANDS

## A piece of Paradise

THINK

**of undeveloped white beaches, crystal clear waters teeming with marine life and quiet paradise islands and perhaps tiny Turks and Caicos may not be the first place to come to mind. However, with a raft of travel awards and a government dedicated to putting the archipelago on the map, the time is ripe to visit or invest in this Caribbean archipelago.**

Situated southeast of the Bahamas, this U.K. overseas territory of just 161 sq. miles comprises 40 different islands and cays, only eight of which are inhabited, and features an impressive 230 miles of pristine beaches and the third largest coral reef system in the world. "Turks and Caicos (TCI) is a great place to live, to have your vacation or second home, to visit and to invest," says the first elected Premier Michael Misick. "We intend to continue investing, and seeking investment, in the tourism sector, but we will always choose quality over quantity, and are definitely not in the market for mass tourism. We want to be known for having a luxury collection of top brand resorts and will develop sustainably."

The islands were the last to be exposed to tourism in the Caribbean, with the first resort only opening in 1985. Although economic development has occurred rapidly since then, it always been while preserving the islands unspoiled nature. "Over the last 5 years, TCI has been one of the fastest growing economies of the world, with 12-15% growth and about U.S.\$3-4 billion of private investments going into the tourism sector," says Misick, also Minister of Planning, Tourism, Development, and District Administration.

During this time, major luxury hotel groups such as Mandarin Oriental and Ritz-Carlton have set up, while government revenues have more than doubled to U.S. \$206 million. The population has also increased by around 70%, but still stands

**"Over the last five years, TCI has been one of the fastest-growing economies of the world, with about U.S.\$3-4 billion of private investment in tourism."**

at only 35,000 inhabitants. Despite the global economic slowdown, growth of 9-11% is expected for 2008, with the government investing heavily in tourist and civilian infrastructure. "It is important to note that we provide red carpet, not red tape," Misick says. "Our system is based on the English common law system. There is no restriction for foreign people to



**Michael Misick**  
Chief Minister  
and Premier



**Wayne Garland**  
Executive Chairman  
TCI Tourist Board



**Floyd Hall**  
Deputy Premier  
& Minister of Finance

own land or invest, there is no exchange control, no income tax, no inheritance tax. Our government prides itself in both understanding the investor and being business-friendly."

Since 1995 the islands have even had their own one-stop shop for investors, the independent TCInvest, headed up by Conrad Higgs, which also encourages entrepreneurship among residents and provides financing to them. The agency has embraced the government's 'open arms' investment policy encompassing the tax-free status, efficient administrative system and an attractive package of concessions to qualified investors. "Although we are a high-end destination, we also consider our islands to simultaneously offer considerable value to the investor as well as the visitor," says Deputy Premier and Minister of Finance, National Insurance and Economic Planning, Floyd Hall, who—alongside TCInvest—has identified tourism, finance, fishing and light industry as the four priority investment areas.

#### Tourism niches explored

Within tourism, opportunities exist for investment in resorts, hotels, villas, condominiums, ecotourism-related attractions and tourism-related services, especially on islands outside the main tourism hub of Providenciales. "We are also looking to diversify the tourism product itself, and are concentrating on health tourism, sports tourism and cruise ship tourism, coming into the new port on Grand Turk island," says Hall.

During the port's inaugural season, not a single call was missed due to severe weather and the port welcomed 136 cruise ships and 295,000 passengers, far exceeding expectations. Meanwhile, two new hospitals with investment in excess of U.S.\$100 million will serve both local needs and develop health tourism, with cosmetic and other surgery to be performed in a relaxing and beautiful setting. The government is also looking to create a college to attract overseas students.

In terms of both tourism and business, the U.S. has been the main market to date, with direct flights from the northeast



**Provo Golf Club, Providenciales**

and southeast. TCI has the same time zone as New York and the U.S. dollar as its currency, and there are also now direct flights from the U.K. and scheduled services via nearby Bahamas run by British Airways and Virgin.

"The European market for us is huge in terms of potential growth, but we have been constrained in entering new mar-

**"The European market for us is huge in terms of potential growth but we have been constrained in entering new markets. That will change this year."**

kets by the length of Providenciales' airstrip," says Hall. "This year we will extend our airstrip and build a new airport, and then increase our European marketing and flight load."

#### **A booming financial sector**

Financial services now contribute between 15-20% of TCI's GDP with banking, trusts, company formation, insurance and associated products on offer and a well-regulated system in place. Banks can place funds at competitive rates with lower margins due to the country's tax-free status.

The insurance market is a growth area, with the islands developing a niche market for captive insurance companies known as 'credit life' or 'producer owned reinsurance companies' (PORCS). The government also foresees imminent new investment vehicles on offer.

The government is keen to encourage investments that could lay the basis of a sustainable fishing industry not conflicting with diving tourism. Fishing is the third industry of the islands and fish the main export, with TCI home to particularly large amounts of lobster and conch. Indeed, Providenciales houses the world's only conch farm. The government is also prepared to provide land to qualified investors for approved light manufacturing, commercial and wholesale enterprises.

TCI Tourist Board, with Wayne Garland as Executive Chairman, provides tourists with in-depth information on the islands and is keen to promote the differences between each



**Providenciales**

one. The majority of tourists arrive and stay on Providenciales, the center of the tourism industry, which has a wide range of hotels, restaurants, attractions and facilities. "Provo", as it is known, houses the international airport and even boasts an international film festival, held in October, which, last year, screened several world premiers.

Most of the islands are about 10-25 minutes by air from Providenciales and can be reached by boat, too. Grand Turk and Salt Cay offer old Bermudian architecture and a rustic charm as well as some of the best diving and beaches in the world. The islands have received many awards for their scuba diving, including top prizes from the renowned Scuba Diving magazine. "Although other Caribbean destinations offer scuba diving as a leisure activity, none compare with the virgin TCI reefs," says Deputy Premier Hall. "We have the world's largest lagoon-enclosed coral reef structure and the most spectacular wall in the Caribbean, just off Grand Turk.

"In addition, deep sea and sport fishing have developed into popular tourist activities, with record catches at stake in the annual fishing tournaments."

Middle Caicos and North Caicos are the greenest of the islands, with woodlands and the U.K.'s largest protected wetland sites, and a vast range of birdlife. TCI's biggest island, Middle Caicos, also houses the biggest cave network in the Caribbean, while North Caicos houses the famous flamingo pond and is an up-and-coming resort destination.

South Caicos is the center for fishing, with an historic harbor and secluded beaches, while other islands, such as Parrot Cay and Pine Cay house the most exclusive resorts. There is also luxury development under way on other previously uninhabited islands such as West Caicos.

TCI Tourist Board's job is made all the more easy by numerous awards the islands regularly receive from the travel industry and publications, including 'World's Leading Beach' and 'Caribbean's Leading Boutique Hotel' from the World Travel Awards and 'World's Best Beach—Grace Bay', from The Sunday Times.

[www.businessoutlook.co.uk](http://www.businessoutlook.co.uk)