Citizenship scheme changes may accelerate ‘race to bottom’

Reported remarks made at recent international seminars attended by senior figures from OECS governments suggest that further changes to Citizenship by Investment programmes being contemplated may exacerbate concerns about ‘a race to the bottom’.

Reports in the Caribbean media suggest that Grenada will shortly join other OECS nations in reducing fees to try to better compete with neighbours that have recently announced price cuts. Speaking at the 11th Global Residence and Citizenship Conference in Hong Kong on November 14, the Chair of Grenada’s Citizenship by Investment Committee, Kaisha Ince, was reported to have said that the country intends lowering the contribution requirement for a single applicant from US$0.2m to US$0.15m. The reports said that the Grenada Cabinet had approved the change, which will come into effect once the necessary amendment is gazetted before year’s end.

If confirmed, Grenada will be the latest OECS nations to reduce its basic fee. St Kitts reduced its basic and other fees in September following the passage of Hurricanes Maria and Irma, with Antigua following suit shortly afterwards. Dominica is believed to be rethinking its pricing structure, while St Lucia had already reduced its basic fees earlier this year. Grenada is also changing the educational requirement for dependent children up to 30 and for dependent parents above the age of 55, who are expected in both cases to have their additional contribution requirement waived.

Amid concerns, Caribbean leaders make incipient moves towards harmonisation

In a sign of growing concern about the implications for OECS economies of the price based competition Antigua’s Prime Minister, Gaston Browne, has responded by proposing an initiative to harmonise the regional citizenship by investment programmes.

“I have been an advocate for harmonisation and better coordination and cooperation among member states of the OECS that offer citizenship by investment programmes. It’s the right thing to do; it’s the sensible thing to do to protect the integrity of our respective programmes. We don’t want to have a situation where there is a race to the
bottom,” he recently told Caribbean News Now. At the time, Mr Browne said that he had written to his fellow heads of government requesting a forum to decide on harmonisation in terms of fees and due diligence standards.

His view appears to be backed by the Prime Minister of Dominica, Roosevelt Skerrit, who at the Immigration Summit in Hong Kong, when asked about price reductions said that he would like to see a “gentleman’s agreement” for there to be a base price for all the categories of citizenship that would not go below an agreed price point.

Some reports suggest that a preliminary meeting on the subject took place between OECS Heads of government on the subject in the margins of the UN General Assembly in September, but this has not been confirmed.

Cuba responds to new US travel policy by encouraging cruise ship calls

Responding to changes in US policy aimed at ending individual travel to Cuba and making some aspects of group travel more difficult, Cuba has hosted a first-ever high-level symposium for international cruise lines.

The two-day meeting in Havana on November 28 and 29 at the Parque Central Hotel was attended by the Presidents of nine of the world’s leading cruise companies, leading figures from three others, alongside Cuban ministers and senior officials.

It was organised by Havantur in conjunction with the Cruise Lines International Association, which represents cruise companies in North and South America, Europe, Asia and Australasia, and the Cruise Association of Florida and the Caribbean.

At the meeting and separately, discussions centred on the expansion of cruise operations around Cuba, and a range of other issues including ports calls, port facilities, shore visits, length of stay, the requirements of the new US regulations, and home porting.

In recent months, Cuba has announced plans to implement a programme of port infrastructure development, aimed at boosting cruise tourism in the different ports around the island. At present cruise ships call at Havana, Cienfuegos and Santiago de Cuba staying on some sailings for more than one night. Of the more than 4m visitors Cuba received in 2016, 112,000 arrived on a cruise ship. Since the resumption of calls out of the US in May 2016, US arrivals have soared with four US cruise companies, Carnival, Royal Caribbean, Norwegian, and Pearl Seas now operating in Cuban waters.

The companies participating in the meeting at CEO level were American Cruise Lines, Virgin Voyager, Holland American Line, Carnival Cruise Lines, MSC Cruises, Norwegian Cruises Lines, Royal Caribbean Cruises, and Azamara Club Cruises. Also present were representatives of Silversea Cruises, Celestyal Cruises, and Disney Cruises Line.

Ministers and Cuban officials participating included Manuel Marrero, the Minister of Tourism; Rodrigo Malmierca, the Minister of Foreign Trade and Investment; Eduardo Rodríguez, Vice Minister of Transport; and Josefina Vidal, the Director General of the US Division of the Ministry of Foreign Affairs.

According to the US-Cuba Trade and Economic Council, the cruise industry could bring as many as 0.5m travellers to Cuba in the next two years. It is expected that the beneficiaries of changes in US travel policy to Cuba will be those US cruise lines able to reposition vessels to reap the rewards from those US travellers who still want to visit Cuba, in the equivalent of a US environment.

It is also likely that in the short-term the rest of the Caribbean and in particular, Jamaica and the Bahamas, will receive US visitors displaced from Cuba in the short-term, but that some regional destinations will see cruise ship arrivals out of south Florida cut in the medium term, as a means to incorporate longer port calls in and sailings around Cuba.
ANGUILLA

24/7 operations restored at Clayton J Lloyd International Airport. The British government have provided a temporary Air Traffic Control tower at a cost of US$1mn to the Clayton J Lloyd International Airport after the previous tower was severely damaged by Hurricane Irma. This temporary tower has been certified by Controllers. The installation of a control tower is crucial to returning the airport to 24/7 operations, deemed essential to Anguilla’s economic recovery following Hurricane Irma.

THE BAHAMAS

SLS Baha Mar hotel opens in Nassau. The 299-room, luxury SLS Baha Mar hotel was officially opened to guests at a ceremony on 25 November. Situated within the US$4.2bn Chinese owned beachfront resort in Nassau, the hotel is the second to open within the resort, alongside the Spanish owned Melia Nassau. The ceremony marks the first international management venture for the US-based SLS hotels, who are seeking to grow their international portfolio further through the upcoming opening of the Mondrian Doha in Qatar.

Government on track with spending cuts. The Deputy Prime Minister of the Bahamas Kevin Peter Turnquest, has said that the government is on track with their targeted spending cuts. The Minnis administration is seeking a 10% cut in government spending. The Deputy Prime Minister also talked about the important progress being made in increasing tax revenues from real estate, through increased tax rates and more efficient collection.
**Barbados**

Sol Group’s US$100mn acquisition of BNTCL remains uncertain after FTC ruling. Following an agreement signed in January 2017 by Barbados National Oil Company Ltd. (BNOCL) to sell its subsidiary Barbados National Terminal Company Ltd (BNTCL) to Sol Group, the deal was met with opposition and a legal challenge from Rubis Caribbean on the grounds that it would put Sol Group in a position to dominate the downstream petroleum market in Barbados. After months of deliberation the Fair Trading Commission (FTC) ruled in late November that the deal could only go ahead if certain conditions were met, including the removal of a 15-year moratorium on the construction of new petroleum terminal facilities and 32% increase in throughput fees at the Fairy Valley storage site. With the government’s foreign reserves falling below US$600mn in late September, the sale of BNTCL would inject some well-needed foreign exchange into the Barbados economy, but it remains to be seen if Sol Group will complete the purchase under the FTC’s terms.

**IMF complete visit to Barbados, citing concerns over economic targets.** The International Monetary Fund (IMF) have completed their two-week Article IV Consultation and concluded that the government’s revenue generating measures have failed to help the government to meet its economic targets. Fiscal tightening is seen to be contributing to the economic slowdown, a 1.8% increase in inflation compared to 2016, and a dramatic decline in net international reserves. However, the IMF did recognise some positives in the Barbadian economy noting the tourism sector remains strong, improvements to the current account balance, and a growth in revenues in the banking sector. The IMF has called on the Barbadian government to undertake an urgent adjustment strategy, including measures to address government expenditure, and reforms to the management of state-owned enterprises.

**International interest in Barbados’ Cassava industry.** Barbados’ growing cassava industry has attracted interest from retailers from the US, Israel and the UK that already purchase other agricultural products from Barbados. In order to meet demand, the Barbados Agricultural Development and Marketing Corporation (BADMC) is seeking financial assistance to assemble a recently purchased processing mill.

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**Belize**

Government under pressure to repay US$90mn UHS debt. Following a decision on 22 November from the Caribbean Court of Justice (CCJ) to issue a ruling on an arbitration award in favour of Belize Bank, trade unions and opposition figures have called on the government to settle the debt in order to avoid incurring further interest payments, and further damaging Belize’s reputation internationally. The debt dates back to the Said Musa administration, which agreed in December 2004 to guarantee a loan provided by Belize Bank to Universal Health Services Co. Ltd (UHS). The Musa government supported the UHS project as part of its bid to reform the health care system and improve health care facilities. Prime Minister Dean Barrow has thus far refused to honour the agreement and the CCJ ruling, arguing that the guarantee was not brought to the House of Representatives for approval. However, bowing to pressure from unions and the Belize Chamber of Commerce and Industry, the Prime Minister has agreed to bring the motion to parliament.

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**British Virgin Islands**

House of Assembly pass a new financial services bill. The Financial Services (Continuity of Business) Act 2017 has been approved by the House of Assembly. The Act allows local financial service providers to temporarily operate in other countries during times of emergency and follows from the extensive disruption to the local economy and damage to infrastructure caused by Hurricane Irma. The Act has gone to the Governor for approval.
**Government are seeking partnerships to strengthen Critical National Infrastructure.** In the wake of Hurricane Irma, BVI was left without a telecommunications network for several days, and it has taken several months to return power to most homes and businesses. The BVI government has announced its intention to mitigate similar outages in future, by investing in a long-term solution to make its telecommunications and electricity networks more resilient. To address this, the government is seeking investment partners in a sustainable energy system, underground cabling, and the development of modern ICT control system to manage its Critical National Infrastructure.

**Government announce extension of reduced duty rate on imported building materials.** On 1 December the Cayman Government announced that it will be extending the reduced duty rate on imported building materials for another year. Importers will continue to pay a tariff of 15%, rather than 22%. The extension is intended to support the construction sector and generate employment.

**Thames Water to close Cayman subsidiaries.** Thames Water’s new Chairman, Ian Marchant, announced that the company will be closing its Cayman-based subsidiaries following criticism of its use of opaque offshore vehicles by consumer groups and others in the UK. Thames Water’s annual report said that they were established in 2007 to raise funds, and to work around UK regulations that were in place at the time, which have since changed. Yorkshire Water made a similar decision in November to close its three Cayman subsidiaries.

**Municipal elections see fall in numbers voting.** Cuba’s first round of municipal elections saw 7.6m Cubans or 86% of the electorate voting for 11,415 delegates to represent the country’s 12,515 constituencies. In 1,100 constituencies there will now be a second-round as under Cuba’s electoral system candidates must receive more than 50% of the valid votes cast. Official reports noted that of the votes cast, 92% of the ballots were valid, while 4% were blank and 4% were void. The overall turnout, although high as a percentage of the population and very high by western standards, was significantly lower than in previous elections. The run-off vote is scheduled for December 3.

**A mediatory role with North Korea?** Cuba could play a key role in defusing the continuing confrontation between North Korea and the US by working with Canada, according to Canada’s Prime Minister, Justin Trudeau. Answering questions following an unrelated event in Charlottetown, on Canada’s Prince Edward Island on November 23, he said that he had discussed the issue with Cuba’s President, Raul Castro, when they had met in Havana in 2016. “I’ve had surprising conversations with places you wouldn’t expect, including places like Cuba, where they actually have … decent diplomatic relations with the North Korean regime,” Mr Trudeau’s comments came as the North Korean Foreign Minister, Ri Yong Ho, and a high-level delegation, paid a week-long official visit to Cuba during which he met with President Castro and held talks with Cuba’s Foreign Minister, Bruno Rodríguez.

**Growing concern about narcotics trafficking.** Reports in the Cuban media suggest that the Cuban government is becoming increasingly concerned about the growing size and incidence of narcotics seizures, and attempts by organised crime to develop a market in Cuba. According to a report in Granma, more than 4.5 tons of narcotics were seized by the Cuban authorities between January and October 2017. Most shipments were not destined for the island, but were seized in coastal waters to the west and east of the island while in transit. Granma also reported that criminal networks were attempting to introduce narcotics into the country through its airports using both Cuban and foreign migrants.
France sings new credit agreement to finance cattle project. The French Development Agency (AFD) has signed a €25m (US$30m) credit agreement to finance a cattle-raising development project in the province of Camaguey. The project is expected to provide for improved animal husbandry and the increased production of meat and milk. The project is co-financed by the International Fund for Agricultural Development (IFAD) and the French-Cuban counter-value fund which was created following the renegotiation of Cuba’s Paris Club debt in December 2016. AFD opened an office in Cuba in 2016 to manage the financing of French investment projects.

A longer and more detailed version of these and other stories on Cuba appears in Cuba Briefing, which is available by subscription or to Premier members of the Caribbean Council free of charge.

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**CURAÇAO**

Unions threatening to strike over dismissals and raising the minimum wage. 15 trade unions have told the Curaçao government they will strike unless it agrees an increase in the minimum wage and addresses their concerns about telecommunications company UTS. The Sitkom union is appealing against plans to lay off of more than half of the company’s staff- over 500 employees- despite the company paying US$1.3mn in bonuses to senior management last year. UTS states that the company is facing financial difficulties and needs to restructure itself in order to keep up with competitors. In response, the union has launched legal proceedings against the company to disclose its accounts and demonstrate that the layoffs are necessary.

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**DOMINICA**

Canada financially support agricultural recovery. Through Global Affairs Canada, the Canadian government has announced it will provide US$129,507 to the Dominica Emergency Agricultural Recovery (DEAR) project. The project is being implemented in collaboration with Dominica’s Ministry of Agriculture and Fisheries. The main focus of the project is to aid the rehabilitation of Dominica’s domestic ‘irish’ potato crop.

**China commits to continuing projects started before Hurricane Maria.** The Ambassador of the People’s Republic of China, Lu Kun, has promised that his country is committed to continuing projects started before Hurricane Maria devastated Dominica. These projects came to a halt due to the hurricane but the Ambassador has signalled that they will continue once damage assessments have been carried out and its workers can return to the country. The projects include a new National Hospital, the York Valley Bridge and the West Coast Road Rehabilitation Project.

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**DOMINICAN REPUBLIC**

Medina pays official visit to Jamaica, calls for closer ties. The Dominican President, Danilo Medina, has offered to participate in the development of multi-destination tourism in the Caribbean on a region wide basis. Speaking at the gala dinner gathering of the UN World Trade Organisation ‘Global Conference on Jobs and Inclusive Growth for Sustainable Tourism’ on November 28 in Montego Bay, President Medina invited the Caribbean to transform the tourism model in the region.

In Jamaica the Dominican President, who was on an official visit, signed a collaboration agreement with the Jamaican government to drive forward multi-destination tourism. Jamaica recently signed a similar agreement with Cuba and is negotiating another with Mexico. During the visit the Dominican and Jamaican Foreign Ministers signed a memorandum of understanding that will lead to an air services agreement.
In his remarks, President Medina challenged other regional countries to follow and develop the full potential of the Caribbean experience. “This is an opportunity to position the Caribbean as a single destination, that does not mean we will stop promoting the Dominican Republic or Jamaica,” he said. “It means we recognize that there is a greater market; a visitor who wants more than one experience in his trip, who wants to experience diversity of cultures and take advantage of his visit to see several places,” he explained.

President Medina was reported to have discussed with Jamaica’s Prime Minister, Andrew Holness bilateral, regional and multilateral issues. At a press conference Mr Holness said the two governments had agreed to establish a joint bilateral commission to enable broader cooperation in sports, culture, education and other areas of mutual interests. “Jamaica and the Dominican Republic have mutual interests in strengthening trade and investment relationships with the aim of creating more opportunities for employment and income generation in both countries,” Mr Holness added.

**The Dominican Republic to cooperate with the US and CARICOM to reduce crime.** The Dominican Republic, the United States and CARICOM countries signed a joint statement on security following the 7th Dialogue on Caribbean-US Security Cooperation held in Santo Domingo at the end of November. The agreement commits all parties to reducing all types of illicit trafficking, advancing public security, promoting social justice, and to broadening international security cooperation in 2018.

**Haitian and Dominican Republic business chambers sign MOU.** The Chamber of Conciliation and Arbitration of Haiti and The Centre for Alternative Resolution of Controversy of the Dominican Republic have signed a memorandum of understanding (MOU) to improve the business relations between both countries. The MOU will allow exchange of information, statistics and legislation, establish methods and standards of arbitration procedures and standardise skills for viable and productive commercial activities.

**King and Queen of the Netherlands visit Dutch Caribbean islands.** King Willem-Alexander and Queen Máxima, alongside the State Secretary for the Interior and Kingdom Relations, Raymond Knops, visited the islands of Saba, St Eustatius and St Maarten. The Royal couple met with those who had been affected by the hurricanes and frontline recovery workers. The King commented that he was impressed by the resilience he saw in St Maarten and declared the island was open for business. State Secretary Knops promised concrete assistance for the victims of Hurricane Irma from Dutch reconstruction aid so that their living conditions can be improved and normalised.

**Guadeloupe and Martinique explore business opportunities in Guyana.** A 12-member trade mission from Guadeloupe and Martinique visited Guyana after being invited by Guyanese Prime Minister Moses Nagamootoo when he was visiting the French Caribbean in March. The delegation explored trade opportunities, primarily establishing contacts for the supply of fish, coconut, sugar, rice and fruit and vegetable, to replace those now out of business due to the recent hurricanes.

**Unemployment rate has reduced by 16% in 4 years.** During their presentation of the 2018 Budget in the Grenadian Parliament, the Prime Minister Keith Mitchell, announced that the country's unemployment rate has significantly reduced from 40% in 2013, to 24% this year. The figure for 2016 was 28.2%. According to the 2017 Labour Force Survey, the reduction is attributed to growth in the construction, tourism and manufacturing sectors. The unemployment rate looks set to fall further once the Silver Sands Resort opens in March 2018, employing 180 people, and two call centres open will employing 500 people.
Grenadian law enforcement trained in restorative and rehabilitative justice. Grenadian police, prison and probation officers are undertaking training workshops so they can better support the restorative and rehabilitative aspects of juvenile justice m. The workshops are being hosted by the US Agency for International Development (USAID)’s Juvenile Justice Reform Project (JJRP) and the Organisation of Eastern Caribbean States (OECS).

GUYANA

Thousands of workers at Skeldon, Rosehall-Canje and Enmore sugar estates laid off. At the start of December, Agriculture Minister Noel Holder issued letters to workers at the three Guyssuco-owned sugar estates, telling them that they would be laid off from 31 December. The decision to do so caused some tension within the governing coalition, with Minister of State Joseph Harmon citing concerns about a lack of consultation with the Cabinet. Local media also questioned the timing of the announcement, suggesting that sugar sector workers- a significant voting bloc- would not appreciate the layoffs taking place over the Christmas period. Nonetheless, Minister Holder argued that the decision to close the estates at the end of 2017 had been taken almost two years ago, despite legal challenges from agricultural unions. With debates over the 2018 budget underway in the National Assembly, the government is now focussed on making the remaining sugar estates viable, funding alternative employment opportunities for laid off workers, and establishing how best to fund and attract investment that can support a shift in land use at the former estates.

CJIA airport to miss December 2017 deadline. Funded by a loan from the Chinese Exim Bank, Georgetown’s Cheddi Jagan International Airport (CJIA) has been undertaking a US$150 million expansion and rehabilitation, set to help the airport achieve the requisite standards to receive direct flights from the United States. The runway extension has been completed, taking it from 7,500ft to 11,000ft, but the new arrivals terminal and maintenance work to the current terminal remains ongoing, with local media estimating that it will not be completed until Spring 2018. The government Ministry of Transportation and Infrastructure, and CJIA Chief Executive Ramesh Ghir are yet to comment on the upcoming deadline.

HAITI

Construction begins on EU-Haiti industrial park project. Park Moreau/Camp Perrin micro-industrial park is the first part of a huge construction project undertaken by both the EU and the Haitian government that will eventually include 42 micro-industrial parks across Haiti and aims to boost domestic production and deconcentrate the Haitian economy. The first stone in the park’s construction was laid by the Mayor of Torbeck, Guidylle Joseph, accompanied by President Moïse, Vincent Dégert, Head of the Delegation of the EU in Haiti, and Pierre Marie Dumeny, Haitian Minister of Trade and Industry.

JAMAICA

Wisynco and GWest both launch IPO on Jamaica Stock Exchange. The Gwest corporation, owner of the GWest healthcare centre in Montego Bay, is seeking to raise US$3.38mn in an Initial Public Offering (IPO) opening in 7 December and ending on 21 December. Seeking to expand its business, the corporation will sell 35% of its company when it floats 169.69mn shares, priced at US$0.02 each. Subject to success in its IPO, Construction on these new GWest operations are expected to be completed by September 2018. Meanwhile, Wisynco is set to launch its US$387mn IPO between 6 and 15 December with shares priced at US$0.06 per share. Manufacture and distribution company Wisynco produces a range of popular beverages including WATA, BOOM and BIGGA. The IPO is intended to fund the expansion of its manufacturing capacity, investment in more efficient power generation, and the acquisition of local and international brands to expand its business operations. More information regarding each IPO can be found on the Jamaica Stock Exchange website, using the following links:

IBEX to invest US$1.5mn to expand operations into Portmore. IBEX International will invest US$1.5mn to retrofit its current office, making space for it to expand its business process outsourcing (BPO) operation in Portmore, St Catherine. The investment was approved by the owner of the building, Proven Reit Ltd, who see the BPO sector as crucial to the Jamaican economy. The expansion will give IBEX a total of 65,800 square feet of office space, including three training and conference rooms, and administrative spaces.


Premier Romeo calls for resilience support. At the CARICOM-UN High Level Pledging Conference in New York, Montserrat Premier Donaldson Romeo expressed his support for Caribbean islands requesting assistance for hurricane recovery efforts. During his speech Premier Romeo also requested support for Montserrat to ensure the island is more resilient to hurricanes and natural disasters, citing the ongoing effect of Hurricane Hugo and the Soufriere Hills volcanic eruption.

PM reassures public that SKNANB Bank is in good standing. Prime Minister Timothy Harris has spoken publicly to refute concerns raised in local media reports regarding the St Kitts, Nevis, Anguilla National Bank (SKNANB). Citing a leaked draft report from the Eastern Caribbean Central Bank (ECCB), WINN FM claimed that the bank was facing a number of issues, including high credit risk, high market risk, high operational risk, large credit exposures and noncompliance with ECCB banking regulations and standards. Prime Minister Harris stated that the bank “had inherited a number of circumstances”, but “remains a bank of good standing”.

US$5mn to be invested in OECS Competitive Tourism Project. Tourism Minister Dominic Fedee announced on 29 November that the government will invest US$5mn in the Organisation of Eastern Caribbean States (OECS) Competitive Tourism Project. Already well-funded by a US$26mn grant from the World Bank, the project is designed to facilitate access and movement of tourists throughout the Eastern Caribbean, to help position the region as one multi-island travel destination. Funds will also support training of local staff and the rehabilitation of key tourist sites including Fort George in Grenada, Fort Charlotte in St Vincent and the Grenadines, and Castries in St.Lucia.

Development of Trinidad-Venezuela cross-border gas field set for continued delays. Containing over 10tn cubic feet (tcf), the Loran/Manatee gas field is located on the border between Trinidad & Tobago and Venezuela. Since beginning formal negotiations in 2003, Venezuela and Trinidad & Tobago have reached wide-ranging resource sharing and refining agreements, with Trinidad allotted 2.7 tcf and Venezuela taking 7.3 tcf. However, protracted and complex negotiations between both governments, PDVSA, Chevron and Shell (taking over BG Group’s interest in 2015), have prevented production at the field from moving ahead. In the latest round of talks, disagreements regarding the Unitisation and Unit Operator Agreement (UUOA) have centred on how much each oil company is required to invest in the project, and how much gas is shared once the field reaches the production phase. According to The Guardian Business & Money, Chevron is unwilling to make further investments until the UUOA can set a clear mechanism for cost allocation. Meanwhile, in the context of past expropriations, Shell has raised concerns that the...
UUOA lacks stringent clauses preventing Venezuela from unilaterally ending the agreement and nationalising the resources. The companies have asked for up to 18 months to conclude the development plan—well beyond the 90 days set out in the UUOA. The delay is particularly bad news for Trinidad’s midstream and downstream energy sectors, which is in need of new gas resources in the context of declining production at other fields.

**Mounting VAT refund arrears becoming a major cause for concern.** In a statement on 29 November, the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) voiced its concerns regarding mounting tax refund arrears owed by the government to the private sector. According to TTCIC, the government is now over US$800mn in arrears to private sector companies, with some companies experiencing delays exceeding 24 months. According to the IMF, tax arrears owed by the government are equivalent to 11% of Trinidad & Tobago’s GDP. While the government has not issued a formal response, Finance Minister Colm Imbert has in the past conceded that the government is facing cash flow difficulties, generated by the prolonged low in world energy prices.

**Kamla Persad-Bissessar overwhelmingly re-elected as leader of the opposition.** Former Prime Minister Kamla Persad-Bissessar has retained her role as leader of the United National Congress (UNC) after internal party elections saw her take well over 90% of votes cast by UNC members. Polling well ahead of two other candidates, Christine Newallo-Hosein and Chanda Bhagggan, Persad-Bissessar’s re-election as head of the UNC means she will be expected to lead the party to contest the next general election, due in 2020.

**Violent protest along Beetham highway causes disruption.** A number of young residents of Beetham Estate Gardens blocked the Beetham highway during rush hour on 23 November in a protest against inequality, harsh police treatment and a lack of job opportunities. The protest followed a police exercise earlier that morning, during which two community leaders were taken into custody. The road blockage soon turned violent, with reports of people being attacked and robbed in their vehicles. Community leader David Abdulah from the Movement for Social Justice (MSJ) condemned the violence, but warned that further violent protests were likely as the causes of the discontent remain unaddressed.

**Government to launch tender to renovate Grand Turk Airport.** According to Turks and Caicos Islands Airports Authority (TCIAA) terminal manager Lavern Skippings Reynolds, the mandatory assessment by the airport’s insurers has been completed, and the TCI government has selected a quantity surveying firm, which will prepare a scope of works for the contractors to bid on. TCIAA CEO John Smith has stated his intention to not only repair the damages caused, but to also make improvements to the facility.

**Governor asks Congressional delegation to amend Stafford Act.** Governor Kenneth Mapp welcomed a delegation of Congressmen and Congresswomen to St Croix at the start of December to assess the USVI’s recovery efforts following Hurricane Irma, and to ask the delegation for support in amending the Stafford Act. Although the Virgin Islands Water and Power Authority (WAPA) has restored power to 40% of homes, and is on course to have 90% restored by the end of December, the limitations of the Stafford Act mean that federal funds can only be used to replace infrastructure to the same standard, rather than building back with more modern and climate resilient infrastructure. As an example, the Governor said that it will cost US$380mn to rebuild the electrical grid, but a more resilient system would cost nearer US$850mn. Ranking Committee Member Frank Pallone (D-NJ) and Chairman Greg Walden (R-OR) both voiced their support for the initiative.
EU launches first tax haven blacklist, putting spotlight on the Caribbean. On 5 December, the European Union published its first blacklist of tax havens, naming 17 territories around the world. While hurricane-hit Caribbean jurisdictions have been given a temporary reprieve from the screening process, St Lucia, Trinidad & Tobago, Grenada and Barbados are all listed as non-cooperative jurisdictions. The Cayman Islands are on the “grey list” and have been given more time to comply. The EU will reengage with Anguilla, Antigua & Barbuda, Bahamas, British Virgin Islands, Dominica, Saint Kitts and Nevis, Turks and Caicos Islands and the US Virgin Islands in February 2018, with the intention of finalising the screening process by the end of 2018.

2017 Atlantic hurricane season the most active since 2005, portending increase in insurance premiums. According to the US National Oceanic and Atmospheric Administration (NOAA), the 2017 hurricane season ending on 30 November had 17 named storms. 10 of the 17 reached hurricane strength, six of which became major hurricanes. This season is also one of only six years on record to feature multiple Category 5 hurricanes, and only the second to feature two hurricanes making landfall at that intensity— with both Irma and Maria hitting the Caribbean. With catastrophe risk modelling company AIR Worldwide estimating industry insured losses in the Caribbean of between US$5bn and US$15bn from Hurricane Irma alone, insurance premiums are set to increase, following eight years of declining rates. Scott Stollmeyer, Managing Director of Barbados and Eastern Caribbean for CGM Gallagher Insurance Brokers, warned that Caribbean properties and hotels are to expect increases in premiums at their next annual renewal of between 10 and 40%, regardless of whether their islands were struck by the hurricanes, warning of “some challenging times in the next few years”.

British Prime Minister confirms £70mn for British Caribbean Overseas Territories post hurricanes. In the final week in November, British Prime Minister Theresa May met with leaders of 11 British Overseas Territories in London for their annual Joint Ministerial Council meeting. After listening to chief ministers’ experiences of the hurricane and the progress made towards restoration and reconstruction, May confirmed that the British government would commit £70mn (US$94mn) to those islands worst hit by the hurricanes, including Anguilla, British Virgin Islands and Turks and Caicos, which will later be supplemented by £300mn (US$403mn) of UK loan guarantees for islands that need support in accessing finance.

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Publisher: The Caribbean Council
Editor: David Jessop
Tel: +44 (0)20 7583 8739
Web: www.caribbean-council.org
Corrections or amendments should be sent to: publications@caribbean-council.org

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