Exxon makes potentially huge new oil find off Guyana

ExxonMobil and the Guyana government have announced a further major oil discovery on its Ranger-1 well in the Stabroek Block. The find, the largest since Exxon began exploration offshore Guyana, is the sixth discovery made by the company since 2015.

It follows ‘world-class discoveries’ on its Liza, Payara, Snoek, Liza Deep and Turbot wells, which are estimated to total more than 3.2 bn recoverable oil-equivalent barrels. The latest find suggests that Guyana is moving towards being a major producer in the Western Hemisphere.

“This latest discovery represents the largest single find to date and adds to the quantities which have been confirmed in the five previous finds …. Managed prudently, these resources will allow for an enormous transformational effect on the lives of every Guyanese”, the country’s Department of Public Information said in a statement.

Steve Greenlee, the President of ExxonMobil Exploration Company (EEPGL) said: “This discovery proves a new play concept for the 6.6 m acre Stabroek Block, and adds further value to our growing Guyana portfolio.”

Highlights in this issue:

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- ExxonMobil and Guyana government release full Petroleum Contract.
- Jamaican government set to make reforms to policing to address crime and corruption.
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- Energy Pact in Dominican Republic advances.
- PDVSA may lose Bonaire oil storage terminal license due to late payments.
- Belize says “no” to offshore oil.
- Grenada rejects Supreme Court decision protecting The Grenadian hotel from acquisition.
- Barbados-based Sagicor criticises recent IMF report suggesting it is a systemic risk to the region.
- Governor of Puerto Rico flies to Washington, DC to request supplemental aid for disaster relief.
EEPGL said the well was drilled to a depth of 21,161 feet (6,450 meters) in 8,973 feet (2,735 meters) of water and had found approximately 230 feet (70 meters) of high-quality, oil-bearing carbonate reservoir. Stabroek News cited a source as saying that the well has ‘greater porosity for oil and gas’, suggesting it will be more commercially productive than previous successful wells. The find is expected to spur other companies who are well advanced in their seismic data collection to invest in drilling in 2018.

In an indication of the potential magnitude of the developmental implications for Guyana and its 0.8m citizens, the Guyana government used the occasion to call on all stakeholders to act responsibly and patriotically, while stressing its commitment to the safe and efficient development of the offshore reserves.

Esso Exploration and Production Guyana Limited has a 45% interest in the 6.6m acres (26,800 sq km) Stabroek Block, while Hess Guyana Exploration Ltd holds 30% and China’s CNOOC Nexen Petroleum Guyana Limited holds 25%.

**Growing criticism of first petroleum agreement with Exxon**

Meanwhile, in related developments, Guyana’s Private Sector Commission (PSC) has said much more needs to be done to incorporate local content and greater benefits for businesses into future oil agreements.

Commenting on a much-delayed but recently-released statement on the first petroleum agreement between the government and ExxonMobil’s subsidiary, the PSC called for world-class negotiators for future contracts. It suggested that unless this happens, owning large oil reserves would not translate into the much-needed reduction of the costs of energy to Guyanese.

In its statement, the PSC also criticised the failure of government negotiators to address ring-fencing provisions. The agreement, which they said was legally not renegotiable, meant that Guyana will be left to bear the costs of any unsuccessful exploration. This, they said, was because it allowed the contractor to offset costs in any field within the entire Stabroek Block against government revenue streams based on each field being separate. It also observed that all future agreements with operators/contractors should contain provisions that ensure that the country received more in the way of royalties, rents, training and opportunities for all Guyanese.

Separately, the Guyana government has said that except for necessary testing, there will be no flaring of natural gas found offshore. According to its Natural Resources Minister, Raphael Trotman, in keeping with governments desire to build a green economy, Exxon will not be allowed to flare the natural gas that would accompany the find.

ExxonMobil has said that it is not commercially feasible to bring the natural gas from the Liza field onshore when extraction commences in 2020, and that it will use the gas for reinjection during production. However, Guyana’s government continues to indicate that it has plans to pipe excess natural gas onshore to meet a part of the country’s energy needs.

To this end it is expected that government will shortly select a site for the proposed pipelines to land the gas for conversion to electricity to supplement the national grid. An IDB supported study on natural gas development is expected to be produced by the end of the first quarter of 2018. A further Japanese study is also underway.
Late last year, the Guyana Power and Light Company said that it was seeking a 50-megawatt (MW) natural gas generating plant.

**Venezuela closes its borders with the Dutch Caribbean**

Venezuela has closed its air and sea borders with Aruba, Bonaire and Curacao, resulting in significantly increased tension between Caracas and the governments of the three islands. The decision has also negatively affected relations with the Netherlands. Holland is directly responsible for Bonaire as a municipality of The Netherlands, while Aruba and Curacao form an integral part of the Kingdom of the Netherlands.

Announcing the decision on January 5, Venezuela’s President Nicolas Maduro said that the new regulation was intended to have the island authorities implement measures to halt the smuggling of a range of items including food, and minerals such as coltan, diamonds and gold, allegedly mined illegally in Venezuela. “I didn’t want to take a measure like this one, but I am ready to take even more radical measures,” Mr Maduro said.

Although the decision was originally supposed to last for just 72 hours, Venezuela’s Executive Vice President, Tareck El Aissami, subsequently said on Twitter that the measure will remain in effect ‘indeﬁnitely’. In another post he said that the regulations will stay in place ‘until island authorities hold a high-level meeting with Venezuela to combat the mafias stealing and smuggling our strategic resources with impunity’. The Venezuelan government "will not allow further aggression from these criminal organizations," he added.

Responding to the Venezuela’s announcement, the Prime Ministers of Curacao, Eugene Rhuggenaath and of Aruba, Evelyn Wever-Croes, said that the unilateral decision by President Maduro endangered the supply of fresh fruit and vegetables to their islands and had led to food stockpiling. The two Prime Ministers said that the decision reﬂected a wish for this to stop “because there is hardly enough food available in (Venezuela)”. Normally fresh foodstuffs are delivered informally to the Dutch islands by small boats in return for Euros or Dollars.

Reports in media in the Netherlands said that the Dutch Minister of Foreign Affairs, Halbe Zijlstra, had been angered by the Venezuelan decision. This unilateral trade boycott does not ﬁt with the "ambition of a good relationship between neighbouring countries," his spokesperson told the Dutch news channel NOS. "We demand an explanation for this decision. We also want to specify that a unilateral closing of the borders does not contribute to a solution to smuggling. If there are illegal practices, we should collaborate."

In related moves, the authorities in the three islands have asked The Hague to determine the economic impact of a Venezuelan threat to sever commercial relations. Subsequently, the Dutch State Secretary for the Interior and Kingdom Relations, Raymond Knops, visited the three islands accompanied by the Presidents of the upper and lower houses of the Dutch parliament.

Speaking about the visit in an interview with the Petroleum Argus, a Curacao government offiﬁcial said: “The request to the Dutch Government is to seek clarity from Venezuela given the importance of commercial relations, particularly with (Venezuelan) state oil company PdVsa being involved in oil industry facilities in the islands.”
It however remains unclear as to how the embargo will affect oil refining operations in the three islands which despite PdVsa's serious internal and production problems remain dependent on current and planned regional oil refining, bunkering and storage operations as a part of the company's logistical network.

Venezuela's decision has wider regional and international implications.

At a regional level the decision has the effect of closing off a route for Venezuelans migrants trying to leave the country, placing greater pressure on Trinidad, Colombia and Brazil which already jointly house, according to the UNHCR, many hundreds of thousands of Venezuelan migrants. If the embargo continues it may also cause future strains within CARICOM and at a wider regional level as to how to respond. Internationally it threatens to bring Venezuela into a new confrontation with the European Union and to escalate if the Netherlands decides to broaden the issue politically.

**Anguilla**

- **CDB approves US$5mn grant to ANGLEC.** The Caribbean Development Bank (CDB) has agreed to provide the Anguilla Electricity Company Limited (ANGLEC) with US$5mn of funding to complete the restoration of its power transmission and distribution systems which were damaged during by Hurricane Irma in September 2017. As part of the agreement, the CDB will also conduct a climate vulnerability assessment, and will provide recommendations on how to improve the resilience of Anguilla’s electricity network to severe weather events in future. The CDB funding will go towards strengthening the network through the anchoring new poles and re-routing of power lines.

**Antigua & Barbuda**

- **Browne pushes for reforms to Barbuda Land Act to create system of private ownership.** In an address to Parliament, Prime Minister Gaston Browne raised his concerns regarding the large number of Barbuda's 1,800 citizens that remain in Antigua following Hurricane Irma. Suggesting that 30% of Barbudans may never return, having found jobs and a better standard of life in Antigua, Browne said, “We need people back on Barbuda. The biggest problem undermining the recovery is that we do not have sufficient people on Barbuda”. Browne’s statement came during a debate about reforms to the 2007 Barbuda Land Act, which intends to repeal the current system of communal ownership with a system of freehold title, given to Barbudans for a token sum. In a separate statement, Browne argued that the 2007 law was incompatible with the country's constitution, and ‘possession of freehold will give Barbudans collateral that can be used with banks to raise the funds they need to rebuild and to return to their homes’. Despite significant opposition from the Barbuda Peoples Movement, the United Progressive Party and NGO Barbuda Silent No More; The Barbuda Land Management (Amendment) Act continues to make its way through Parliament.

- **Antigua wins ‘most innovative’ Caribbean Travel Award.** The Caribbean Journal cited Antigua's attracting new hotel brands and proactive messaging in the wake of Hurricane Irma as reasons for selecting the nation as the award’s recipient. The Tourism Agency partnered with Virgin Holidays and Elite Island Resorts on a promotional video featuring highly successful
1980s reggae pop band UB40 encouraging Brits to ‘come back’ to the Caribbean following the hurricane.

- **Sir Lester Bird to retire from politics.** The former prime minister will step down in February 2018 after 40 years in public office. Sir Lester cited his deteriorating health as the cause of his retirement. He has endorsed his niece, Maria Bird-Brown – also the wife of Prime Minister Gaston Browne – who is running for the Rural East seat he currently holds.

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**The Bahamas**

- **BML Properties files US$2.25bn lawsuit against CCA Inc. over Baha Mar development.** In late December 2017, Sarkis Izmirlian – Bahamas businessman and owner of BML Properties Ltd. – filed misconduct claims in a New York court against China Construction America Inc. (CCA), seeking at least US$2.25bn in damages. In a 259-page complaint, BML claims that CCA committed a massive fraud, submitting fraudulent bills and collecting undeserved fees, while understaffing the project and using inexperienced workers. BML alleges that CCA knew it would not be able to meet the December 2014 construction deadline, but created the impression that it was on course as a means to continue collecting payments; enriching itself at BML’s expense, which subsequently filed for bankruptcy. The project eventually opened in April 2017, after lender China Eximbank passed ownership of the project to Hong Kong-based Chow Tai Fook Enterprises Ltd, which BML also described as ‘a secretive and suspect process’. In addition to the misconduct claims against CCA, BML has also made allegations that the then Bahamas government colluded with the misconduct- something which Progressive Liberal Party chairman and former foreign minister Fred Mitchellan dismissed as an “act of revenge”.

- **OAS electoral observation team presents its findings after May 2017 elections.** After reviewing key elements of the Bahamas 2017 electoral process, an OAS mission has issued a series of recommendations, including improving voter education, adopting a legal framework on campaign finance, and digitising registration procedures. The mission also praised the Bahamas for steps taken to ensure that citizens living abroad could vote in the May election.
Barbados

- **Sagicor criticises recent IMF report suggesting it is a systemic risk to the region.** Barbados-based Sagicor Financial Corporation (SFC) has strongly refuted assertions made in a December 2017 Barbados Today article which quoted an IMF draft report stating that the Sagicor group “poses systemic risk” to Barbados and a contagion risk to the wider Caribbean. The IMF draft report, based on the findings of a mission from the IMF’s monetary and capital markets department to Barbados in October, made comparisons between SFC and Colonial Life Insurance Company (CLICO), which collapsed in 2009 after receiving a US$7.9bn bailout from the Trinidad & Tobago government. In a statement intended to reassure policyholders and shareholders, SFC described the IMF report as “grossly inaccurate and recklessly careless” and insisted that it is well-governed and financially strong. SFC also highlighted that it is actively regulated by the Barbados Financial Services Commission, and is in good standing in the jurisdictions where it operates. The IMF is yet to clarify the findings of its draft report.

- **Massy Insurance set to pay out over US$250mn to policy holders across the region.** Barbados-based Massy United Insurance has received over a thousand claims relating to damage caused by Hurricanes Harvey, Irma and Maria, amounting to an estimated US$250mn. The insurance provider operates in 18 territories throughout the region, and has received claims in half of those markets, including Antigua & Barbuda, Anguilla, St Maarten, St Kitts, the British Virgin Islands, Turks & Caicos, The Bahamas, Dominica and Montserrat. Having sent loss adjusters to the affected territories shortly after the hurricanes struck, Massy United Insurance have already paid out over 80% of claims, and expects to have paid all claims by early January 2018.

- **Bitt launches mobile payments app.** Barbados-based digital asset exchange, remittance channel, and merchant-processing gateway Bitt has launched its first mobile money app for smartphones. The mobile money system will enable users to use an electronic wallet on their mobile device to store, send and receive money, as they would when using a debit card. CEO Rawdon Adams explained that the app is intended to provide services to people in the Caribbean who lack access to banking services. He added that the company’s long-term aim is to offer all the services offered by commercial banks, and that the company is engaging with investors and Central Banks across the region to achieve this.

- **Democratic Labour Party likely to hold off elections until May.** In response to calls from the Opposition Barbados Labour Party to dissolve parliament and call the election as soon as possible, Prime Minister Freundel Stuart responded that his Democratic Labour Party will serve out its full five-year mandate, and would not dissolve parliament until the end of March—the latest date he is constitutionally obligated to do so. The election must be held within 90 days of dissolving Parliament, meaning that the election is highly likely to take place in mid-May.

Belize

- **Belize places indefinite moratorium on offshore oil.** The legislature unanimously approved a bill to end offshore oil activities within its territorial waters. Environmental groups applauded
the move as a victory for conservation efforts. Belize boasts the largest collection of reefs in the Western Hemisphere, and its economy relies heavily on tourists who come to visit its natural attractions. Tourism generates about $US200mn a year, nearly three times the current value of its national oil production.

- **US issues extradition request for Belizean attorney.** Belize's Ministry of Foreign Affairs signed off on documents to advance the extradition of attorney Andrew Bennett to the United States. In July 2015, the District of Puerto Rico issued an arrest warrant for Bennett on money laundering charges after he was allegedly caught in a sting operation related to drug trafficking that targeted prominent individuals in the banking sector. Bennett was a partner at the law firm of Glenn D. Godfrey.

**Bonaire**

- **PDVSA may lose Bonaire oil storage terminal license due to late payments.** Venezuela's PDVSA could lose its license to operate an oil storage terminal it owns in Bonaire if it does not soon fulfil maintenance demands by regulators. PDVSA owns the Bonaire Petroleum Corp (BOPE) terminal with a 10 million-barrel storage capacity and deep-water docks that can load large vessels. The dispute started a year ago when the Dutch government demanded a remediation plan for the terminal amid an accumulation of environmental liabilities. The company had agreed to a USD $25mn investment plan with a first installation of USD $5mn, which has not been paid.

**British Virgin Islands**

- **CDB provides US$65.5mn in loans and grants for disaster recovery.** The Caribbean Development Bank (CDB) has estimated US$3bn in damage and losses – the equivalent of three times the annual GDP – due to Hurricane Irma. The funds will back several rehabilitation projects, including ten water and sewage facilities, reconstruction of 3.9 kilometres of roads, construction of 900 metres of coastal defences, and provision of communication technology and other resources for 29 institutions.

- **Airport expansion project cost increases.** The estimated cost of the project to extend the runway at Beef Island has increased by $95US5mn after an initial valuation of -US$153mn. China Communications Construction Company was selected as the preferred bidder. The additional government-provided funds have been criticised for diverting funds for other potential uses, such as rebuilding after Hurricane Irma.

- **Government launches ‘BVI Open for Business’ app.** The app is an interactive map of the territory detailing the public and private-sector businesses that are now operating. The map is also used to give a virtual representation of business locations in the BVI, and report the status, operating hours, and contact numbers of these businesses.
Cayman Islands

- **Dart Group submits new application to extend underpass on West Bay Road.** Dart has submitted a new application to the Central Planning Authority to add 52 metres to an underpass it is currently building between West Bay Road and Camana Bay. In a statement to local news media, Dart stated that the proposed extension will connect the Royal Palms hotel development to the rest of Camana Bay, ‘while providing meaningful beach access to the Camana Bay community and the general public’.

Cuba

- **Two per cent growth forecast for economy in 2018.** Cuba’s economy is expected to grow by 2% in 2018. Speaking to the Cuban National Assembly on December 21, Vice President Ricardo Cabrisas, the Minister of Economy and Planning, told delegates that in 2017 the Cuban economy had experienced modest growth of 1.6% despite multiple setbacks including a failure to achieve the level of income forecast from the export of goods and services; a decline in the availability of fuel because of the situation in Venezuela; delays in implementing some national investment programs; and the problems caused by drought and then by Hurricane Irma. Speaking about 2018, he warned that growth would be affected by shortages of hard currency and fuel and a related fall in income from the export of goods and services, as well as falling commodity prices. Despite this, he forecast that Cuba expects growth of around 2%, with construction activities up 12%, trade (6.7%) and tourism (4.2%).

- **New rules to speed up investment approval process coming soon.** New rules to streamline the evaluation and authorisation of projects involving foreign investment are close to being approved, according to Déborah Rivas, the Director General of Foreign Investment at the Ministry of Foreign Trade and Investment (Mincex). Mrs Rivas told the Economic Affairs Commission of the Cuban National Assembly that the modification of the decree, complementary to Law 188 on Foreign Investment, approved in 2014, was close to completion. The aim of the changes, she said, were to make more expeditious the response to business proposals by the Cuban institutions and enterprises involved.

- **EU moves to fill space vacated by the US.** Federica Mogherini, the EU’s High Representative for Foreign Affairs and Security Policy has indicated that the EU intends filling the space left by the Trump administration’s decision to abandon détente. During a two-day visit, Mrs Mogherini announced that a new EU-Cuba cooperation programme will be signed shortly that will include €18m (US$22m) to support renewable energies, €21m (US$25m) for sustainable agriculture, and €10m (US$12m) to support cultural exchanges. She also said that: Europe will explore further ways to protect EU companies from the effects of the US embargo; a first joint council meeting with the Cuban Foreign Minister, Bruno Rodríguez will take place in Brussels on February 28, to discuss how to advance cooperation; a visit by a delegation from the European Investment Bank at the end of January will explore possibilities for supporting investment; and that both sides will explore having interparliamentary relations include institutional committees that might strengthen political dialogue.
Date for election of successor to President Castro delayed. Cuba’s National Assembly has agreed to a proposal to extend the term in office of President Castro until late April, effectively resulting in a two-month delay to his decision to stand down as the country’s President. The decision was to accommodate the disruption to the political cycle caused by Hurricane Irma. Confirming on December 22 that he will step down as planned, President Castro told the National Assembly: “When the (next) National Assembly is constituted, I will have concluded my second and last mandate, and Cuba will have a new President.”

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.

Curaçao

Unions call off strike action after demands largely met. As reported in Caribbean Insight Volume 39 Issue 57, a total of 15 trade unions were threatening a nationwide strike unless their demands were met, including a reversal of dismissals at telecommunications company UTS, and an increase in the minimum wage. The government initially refused to negotiate, causing 11 unions to vote to go on strike, but they were subsequently called off when the government and the unions reached satisfactory agreements over the dismissals at UTS, though demands to increase the minimum wage remain unmet, suggesting there may be further industrial action in the new year.

Dominican Republic

The Minister of Energy and Mines anticipates a new Electricity Pact will be signed in January 2018. The pact between the government, key stakeholders in the energy sector, and civil society addresses long-term structural challenges in the energy sector. Within the first three months of the year, a Strategic Business Plan should be designed for business improvements by 2022, namely the reduction of Electric Distribution Companies’ (EDE) losses by 15 percent in 2023, at which point a new tariff regime will go into effect. A new tax rate is aimed to be presented within the first four months of this year and go into effect as of July 1 for a period of four years. The Agreement will also allow EDEs to subcontract services, including the collection of clients’ bills. The Association of Industrial Enterprises from Herrera and Santo Domingo Province (AEIH) has opposed the Pact.

Record number of cruise ship visitors. Over one and a half million cruise tourists arrived in the country in 2017, marking a 37.45% increase from 2016. The main ports of arrival were Amber Cover in Puerto Plata and La Romana.

President declares 2018 as the Year for the Promotion of Exports. President Danilo Medina’s Decree 437-17 makes it official public policy to emphasise decreasing the imbalance between the country’s imports and exports. In 2016, the Dominican Republic imported USD $17.7bn and exported USD $8.72bn. Sectors targeted for increased exports include mining, technology, construction and agriculture.
Grenada

- **Government rejects Supreme Court decision protecting The Grenadian hotel from acquisition.** Following the Eastern Caribbean Supreme Court’s decision in February 2017 to temporarily prevent the Grenadian government from acquiring The Grenadian hotel from its owner, Rex Resorts, the Supreme Court of Appeal has upheld the decision, and awarded an undisclosed sum to Rex Resorts, to be paid by the government. Stating that ‘The ruling of the court of appeal only serves to delay the inevitable’, a government statement said that the process to compulsorily acquire the property under the Land Acquisition Act remains in progress. The decision from the Court of Appeal and the government’s response to it not only leaves the future of The Grenadian in an uncertain position, but has also led commentators and opposition politicians to raise concerns about the negative perceptions it creates among foreign investors to Grenada's business environment.

Guyana

- **ExxonMobil and Government release full Petroleum Contract.** Following pressure from all sides to release the full Petroleum Contract with Exxon Mobil, largely relating to the whereabouts of a reported US$18m signing bonus, the Granger Administration published the full contract at the close of the year and explained that the US$18m was being held in a Government escrow account reportedly as a fund for resolving the territorial dispute with Venezuela. Apart from the lack of transparency, there have been a number of concerns raised about the Production Sharing Agreement contract to date with civil society groups arguing that the government did not secure sufficiently good terms given the size of the oil find for Exxon. Concerns include: the low level of immediate return to Guyana; ring fencing in clauses which allow the consortium to transfer expenses from one well to another; fixed taxation terms which cannot be varied by successive governments; no immediate production bonus; The Government is now reviewing its future Production Sharing Agreements with future oil and gas producers. They have committed to publishing future oil and gas agreements with other parties and are in the process of joining the Extractive Industries Transparency Initiative (EITI).

- **UN decision on remediation of Guyana-Venezuela border dispute expected in 2018 Q1.** At the close of the year, Personal Representative to the Secretary General, Dag Halvor Nylander, gave his report and recommendations to UN Secretary General, Antonio Guterres on the best way forward to resolving the long-running Guyana-Venezuela border dispute. He will decide the next step before the end of March 2018. If the Secretary-General concludes that no significant progress has been made towards arriving at a full agreement for the solution of the controversy, he is expected choose the International Court of Justice as the next means of settlement. According to Guyana’s Ministry of Foreign Affairs, Venezuela will be bound to accept the referral of the dispute to the ICJ.

- **ICAO recognises significant progress made at Cheddi Jagan International Airport.** Following International Civil Aviation Organisation (ICAO) visit during which it completed a Coordinated Validation Mission audit, Guyana’s Civil Aviation Authority (GCAA) was awarded Council President Certificate in recognition of the progress made. GCAA compliance with the effective
implementation of the ICAO’s Standards and Recommended Practices has jumped from 44.2% to 65.7%, with particular progress made in resolving safety oversight deficiencies. With the US$150mn modernisation project due to be completed by late-2018, Cheddi Jagan International Airport looks on course to achieve Category 1 status from the ICAO, paving the way for direct flights from the United States, enabling Guyana to attract major global carriers and substantially improve levels of connectivity.

- **Guyana will host OAS tourism summit.** The country will host the 24th Inter-American Congress of Ministers and High-Level Authorities of Tourism of the Americas on March 21-22, 2018. The theme of the meeting will be “Connecting the Americas through Sustainable Tourism.”

### Haiti

- **Venezuelan oil imports halt due to US sanctions.** Haiti's Minister of Economy of Finance has revealed that the country has not received Venezuelan oil since October 2017 because the Bank of the Republic of Haiti (BRH) is no longer able to make payments in foreign currency due to sanctions imposed by the Trump administration. PetroCaribe, provides Haiti and other Caribbean countries with subsidised oil on favourable financing terms. The debt is spread over a 25-year period with a 1% interest rate. The PetroCaribe program in Haiti has not been without problems. In November, a special Haitian Senate commission accused former government officials and private firms of embezzling US$2bn in Venezuelan oil loans.

- **Spirit Airlines adds flights to Cap-Haitien.** The carrier will provide service from Fort Lauderdale (FLL) three times per week starting on April 12. Spirit already flies non-stop between Port-au-Prince and FLL.

- **USAID launches reforestation project.** The US Agency for International Development (USAID) will launch a $USD40.3mn reforestation project on January 11 in Cap-Haitien to plant five million trees in Haiti over the course of five years to restore 800 hectares of forests.

### Jamaica

- **Government set to make reforms to policing to address crime and corruption.** On the heels of a year in which more than 1,500 people were murdered, Prime Minister Andrew Holness said in his New Year's message that given the current crime situation, it is without question that the Jamaica Constabulary Force (JCF) needs critical institutional reform to be able to effectively lead the fight against crime. The Prime Minister also identified the illegal importation of firearms as a national emergency and a threat to Jamaica’s security.

- **US airlines add new flight capacity to Jamaica.** Additional flights to Sangster International Airport in Montego Bay from Baltimore-Washington International Airport will begin in March 2018. The additional flights come just after another US carrier, Southwest Airlines, increased its flight itinerary to include two daily non-stop flight service between Fort Lauderdale and Montego Bay.

- **CDB announces US$172mn for assistance programme between 2017-2021.** The Caribbean Development Bank is to provide Jamaica with US172mn to support diversification, and
improve the business regulatory environment. The programme will also aim to reduce violent crime, inadequate semi-skilled and skilled labour through training, and social inequality.

Montserrat

- **CDB approves grant to improve port facilities at Little Bay.** The Caribbean Development Bank (CDB)'s is to provide a US$19.5mn grant through the UK's Caribbean Infrastructure Partnership Fund (UKCIF), to assist in financing the construction of an offshore breakwater and quay.

Puerto Rico

- **Delegation flies to Washington, DC to request supplementary disaster aid package.** Gov. Ricardo Rosselló and a delegation of Puerto Rican lawmakers went to the US House of Representatives to announce a renewed push for statehood and to request a supplemental disaster-aid package in the wake the recently approved Trump federal tax reform which will reduce federal assistance available. The governor also planned to visit Orlando to hold a town hall meeting with Puerto Ricans who reside in Florida about participating in US politics. Rosselló previously commented that he would seek Puerto Rico’s growing stateside community who largely vote Democrat to become politically involved in the 2018 congressional midterm elections.

- **US federal board will consider fast-tracking four power projects.** Energy projects, which would invest a combined US$1.47bn in the island’s decimated power grid, are under review by the board that manages Puerto Rico’s finances. The final decision on the projects will come by early April. The investment would be entirely private capital and have the potential to generate more than 8,200 jobs. Puerto Rico is still 45% without power. Meanwhile, Sunnova Energy Corporation, a leading residential solar service provider in Puerto Rico, has called for a provision in the disaster supplemental that would authorise a cash grant in lieu of the ITC for U. territories recovering from disasters.

St Kitts and Nevis

- **Concerned Citizen's Movement (CCM) wins second term in Nevis election.** The new leader of the CCM, Mark Brantley, has been sworn in as Premier of the Nevis Island Administration (NIA) government. The CCM won four out of the eight seats in the Nevis Island Assembly in recent elections.

- **Bloomberg names St Kitts a top Caribbean Destination.** The island was the only Caribbean destination selected by Bloomberg from across the globe in its “Where to Go in 2018.” The publication cites non-stop Delta flights from Atlanta and New York as making St Kitts particularly accessible.
St Lucia

- **CDB approves grant to fund road rehabilitation.** Through the UKCaribbean Infrastructure Partnership Fund (UKCIF), a Caribbean Development Bank’s grant will provide US$1.33mn for a feasibility study and designs for upgrades of the Millennium Highway and sections of the West Coast Road corridor that link the capital city to major towns in the south.

St Vincent and the Grenadines

- **Honduran airline leaves passengers stranded in St Vincent and Cuba.** Honduras-based airline EasySky, which operated twice-weekly flights between St Vincent and Cuba, has stopped its flights to the Argyle International Airport (AIA), leaving passengers stranded in both locations. A number of Cubans left stranded in St Vincent when the EasySky service stopped, had to make alternate arrangements travel via other airlines. Elsworth John, St Vincent and the Grenadines’ resident ambassador to Cuba, said, “EasySky is going through a period of internal evaluation,” adding that he hoped flights would resume in the New Year. The reason for the service suspension reportedly relates to late payment to St Vincent Airport of the airlines landing fees.

Suriname

- **Chinese near agreement to upgrade airport.** China Harbour Engineering Corporation (CHEC), which has been in talks with the government of Suriname to finance the upgrading of Johan Pengel Airport (JAP), is now in advanced stages to reach an agreement. The airport’s director said that the China Exim Bank will fund the modernisation but has not yet made public the cost, scope, or design of the project.

- **CDB approves project to enhance agricultural sector.** The Caribbean Development Bank (CDB) has approved a grant to fund the completion of a value chain analysis to determine which agricultural commodities have the most potential to provide competitive advantage to Suriname. The project, to which the CDB will contribute US$215,000, will be implemented in partnership with the Islamic Corporation for the Development of the Private Sector of the Islamic Development Bank.

Trinidad and Tobago

- **First female to be elected President.** Justice Paula-Mae Weekes has been nominated to become the Republic’s next President with the support of both the government and opposition. The electoral college will meet on January 19 to officially elect Justice Weeks, who will replace President Anthony Carmona in March after his five-year term. Weeks previously served as the judge of the Court of Appeal in Turks and Caicos.

- **Rowley confirms continued tax rises in 2018** In his New Year address, Prime Minster Rowley announced that his government would press on with implementation of a property tax which
is currently facing legal challenges, and also with plans to revise gambling and gaming tax legislation. Rowley also announced the introduction of a Revenue Authority of T&T.

- **Allegations against Chief Justice under review by Law Association.** The Law Association of Trinidad and Tobago (LATT) Council has appointed a committee to review the allegations against Chief Justice, Ivor Archie, and see whether there is sufficient basis to refer a question of alleged misbehaviour by the Chief Justice to government for consideration of impeachment proceedings, under section 137 of the constitution. Allegations include discussing judges’ security with a close personal friend and seeking to expedite Housing Development Corporation (HDC) housing for applicants.

**Turks & Caicos**

- **Premier says Grand Turk airport will be fully operational soon.** Premier Sharlene Cartwright Robinson announced that a preferred bidder has been selected to begin construction work on the JAGS McCartney International Airport, which had been damaged significantly after Hurricanes Irma and Maria.

**US VIRGIN ISLANDS**

- **Governor extends state of emergency.** Governor Kenneth Mapp has extended a state of emergency, which began in September 2017 during Hurricane Irma, until February 2, 2018. In a positive development, the USVI successfully restoring 90 percent of power to the USVI by Christmas Day.

**Region**

- **Exports to China increased in 2017.** Exports from Latin America and the Caribbean increased by about 13 percent in 2017, accounting for roughly US$985bn, contrasting with a 3.3 percent drop in 2016. The Inter-American Development Bank (IDB) attributes the growth to a recovery in exports to China, which were up by 30 percent, and to the United States, which grew by 10 percent; together, the two countries accounted for two-thirds of total growth. A 12 percent increase in intraregional flows also contributed significantly to the region’s trade performance. The Caribbean’s exports grew by 11 percent as opposed to a 17.6 percent contraction in 2016.

- **Eleven Caribbean countries defy US in UN Resolution on Jerusalem.** The countries supported a United Nations General Assembly (UNGA) resolution that criticized US President Donald Trump’s decision to move the US Embassy to Jerusalem. Nine Caribbean countries abstained from the vote and two were absent. Barbados, Belize, Costa Rica, Cuba, Dominica, Grenada, Guyana, Nicaragua, St Vincent and the Grenadines, Suriname and Venezuela voted in favour of the resolution.

- **Caribbean gets closer to regional energy efficiency building code.** The Regional Energy Efficiency Building Code (REEBC) will be taken to the Council of Trade and Economic Development (COTED) in a few months. Speaking at the final Regional Project Team (RPT)
meeting regarding the building code, RPT Chairman Norbert Churchill highlighted the recent catastrophic hurricanes to argue that it was time to establish policies, standards and codes that would help strengthen the resilience of the Caribbean. According to World Trade Organization (WTO) guidelines, any standard developed is a voluntary document, so it is the responsibility of the Member State to adopt and implement accordingly. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is funding the project.

- **JetBlue expands service to the Caribbean.** JetBlue is adding service between South Florida and Santiago, Dominican Republic (STI Airport) and Grand Cayman's GCM Airport. Flights between Fort Lauderdale (FLL) and Santiago will operate once daily roundtrip beginning June 14, 2018, subject to government approval. JetBlue operates more daily flights than any other carrier to the Dominican Republic. Daily flights between FLL and GCM are slated to begin in October 2018. The carrier already flies to Grand Cayman from New York (JFK) and Boston (BOS).

- **Little damage from undersea earthquake.** The 7.6-magnitude quake, which struck off the coast of Honduras, was one of the strongest to hit the Caribbean in modern times. Tsunami centres issued advisories and warnings for Puerto Rico, the Cayman Islands, Cuba, and other Caribbean islands. There were no early reports of serious damage or casualties.

- **CHTA creates “jobs bank.”** The Caribbean Hotel and Tourism Association (CHTA)'s “jobs bank” aims to assist the workers impacted by last fall's hurricanes by matching candidates with tourism-related employment opportunities. The initiative is backed by the Caribbean Tourism Recovery Fund, a partnership between CHTA and the Tourism Cares organisation.