

TURKS & CAICOS ISLANDS

Beautiful by nature

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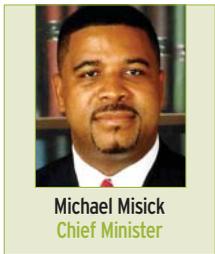
being just a 75-minute flight from Miami, with direct flights from London Heathrow daily, Turks and Caicos Islands (TCI) is still one of the world's best-kept secrets. Covering 430 square meters of the Atlantic, this archipelago of 40 islands and cays has the third largest coral reef system in the world and is home to some of the most unspoilt turquoise beaches on the planet.

Those who do discover TCI find something close to paradise, with unrivaled diving spots, bird-watching, whale-watching and golf among its scores of natural and relaxing attractions. Unsurprisingly, tourism is the driver of the Turks and Caicos economy; more than 250,000 visitors descended on the islands last year, swelling the local 21,000 population considerably.

Discerning tourists from North America, the U.K., Italy, France and Germany are not the only ones to have struck gold, however. Property development is currently booming and excellent tax incentives are being offered to savvy investors looking to jump on board. There are opportunities aplenty in resorts, hotels, villas and condominiums, as well as in eco-related tourist attractions and tourism-related services.

Small wonder then that the islands are going through an unprecedented period of growth, which hit 10% in 2005 and looks set to exceed that figure this year. TCI's Chief Minister and Minister of Planning, Tourism, Development and District Administration, Michael Misick says, "We are one of the fastest-growing economies in the world and an array of hotel properties, villas and condominiums are being built here.

"Amanresort opened its first Caribbean hotel here in March and Ritz-Carlton will be arriving in 2008. We estimate that over the next four to five years, we will have in excess of U.S.\$2-3 billion worth of investment in the tourism sector."



Michael Misick
Chief Minister

A closer look at this truly investor-friendly country shows that Turks and Caicos is free from both income and corporate taxes and the government is committed to keeping it that way. As Misick points out: "We have a government that is pro-investment, that has clear rules and we offer safety and security. In fact, the islands are almost crime-free. The U.S. dollar is our official currency and we have no exchange control, which means investments can flow in and out as investors wish. There is a good communications system and we are one of the most easily accessed destinations in the Caribbean."

He continues: "We have a special relationship with potential investors and that will remain so. As well as private land, there is also Crown or government land that we will make available to investors interested in developing tourism-related businesses."

Picture: Turks & Caicos Islands Tourist Board



TCI is home to some of the most pristine beaches in the world

The fact that Turks and Caicos is a British Overseas Territory, and therefore protected by British law, is also appealing. As former governor James Poston noted: "TCI has a close relationship with the U.K., while the day-to-day management of the government and economy are the responsibility of locally elected members. They have knowledge of their country and people which enables them to put in place the appropriate measures for sound development and business opportunities."

Indeed they do. Chief Minister Misick, who turned 40 this year, heads the Progressive National Party and has been in office for almost three years. A qualified attorney, he also founded his own property and financial services company which he ran until he entered politics in 1991. Since his election, Misick and his new-style government have worked hard to modernize the economy, including the much-needed liberalization of the telecoms sector.

Misick says: "Telecommunications are a key component to developing a country. We have had a monopoly here for more than a hundred years. Now, competition is coming in, which will benefit the consumer. We will have better service at lower rates, so we are very excited."

The Chief Minister is also putting more emphasis on TCI's offshore financial industry. Regulated by the Financial Services Commission since 2001, the industry is the TCI's second largest source of external revenue after tourism. Misick says: "Turks and Caicos offers the international business community a well-defined regulatory framework within which it can operate a comprehensive range of activities, including banking, insurance, trusts, mutual funds, investment dealing, companies and partnerships."

Misick is also investigating diversification initiatives in fishing and mariculture. TCI is home to the world's only commercial conch farm and it exports more than a million live or fresh conch every year.

There is great potential in scale fisheries, especially in the production of high value, value-added and specialty exported products. Examples include: fish farming for tilapia and other fin fish, shrimp farming, tropical fish breeding, hydroponic gardening, specialty farms for tropical produce and ornamental horticulture.

Information and Communications Technology is also a prospective grower. Benefiting from both its close proximity to the U.S. and the expertise of Cable and Wireless, who have been on the islands for more than a century, TCI is one of the best-connected countries in the Caribbean. A fully digital system is available across its eight inhabited islands. Some local firms have also managed to offer the same discount Internet services as their North American counterparts, but with the added offshore benefits of security, confidentiality and zero taxes.

The e-revolution and a diversifying economy has spurred the government into creating a satellite College Park, where, Misick says, "students from all over the world can come and study."

In the meantime, however, tourism still offers the greatest prizes. Turks and Caicos was recently awarded the International Star Diamond for being "The Finest Islands in the Caribbean." This award, from the American Academy of Hospitality Sciences, came hot on the heels of an announcement that TCI will host the 13th World Travel Awards in September this year. As the world's most comprehensive travel awards ceremony, with votes cast by travel agents in more than 200 countries, this carries a strong endorsement of the TCI product from the global travel industry.

Misick, who received the International Star Diamond award for his leadership and vision in tourism, says: "We are one of the last Caribbean destinations to develop, so we have the advantage of learning from the challenges of our neighbors. We want to focus on quality, rather than quantity. We are not interested in mass tourism—our brand is a leisure, eco-friendly destination that is very up-market. We do not want to spoil the natural beauty, which is why we have a sustainable development plan."

"We have a policy of red carpet, not red tape and want as many people as possible to see the beauty and the investment opportunities we have."

More than 33 of the TCI's land and sea areas are designated as national parks, nature reserves, bird sanctuaries or historical sites, and there are 370 kilometers of white sandy beaches, all of which offer a tantalizing getaway for the rich and/or famous. Misick says: "There are many celebrities building homes here who wish to escape the paparazzi in a laid-back atmosphere.

"We have 40 islands and cays to choose from. Those wanting maximum privacy can go to Parrot Cay, North Caicos or Ambergris Cay. Families may prefer to be in an environment with more activities, such as Providenciales. Those who prefer natural pursuits can go to North Caicos and Middle Caicos and see the cays and flamingo pond, while the colonial Grand Turk is our historic capital."

Grand Turk is also the site of the U.S.\$40 million Carnival Corporation's cruise ship terminal. Launched in February this year, this lucrative attraction could bring around 5,000 cruise passengers to the island on any given cruise day. The Carnival Corporation, whose "Fun Ships" stop at other Caribbean destinations, as well as Hawaii, Alaska, parts of Canada and the Mediterranean, has donated U.S.\$1.2 million for business

Picture: Turks & Caicos Islands Tourist Board



More than a million conch are exported every year

developments related to the Grand Turk. This has been matched by a grant from TCI's independent investment agency, TCInvest, who are demonstrably fulfilling their mandate to "attract new offshore investment, encourage entrepreneurship among the residents and provide financing to the local population" with this project.

Deputy Chief Minister Floyd Hall has announced that start-up loans of between U.S.\$10-20,000 are available for entrepreneurial projects. Plans are also underway to rejuvenate the downtown area in the hope that cruise ships will stay longer than a day. Onshore activities already up and running include: horse and carriage rides around Cockburn Town, a dune buggy adventure, scuba-diving, a "bike and hike" and a horseback ride and swim.

Misick says: "This project will completely transform the economy of Grand Turk, which will make a really big difference to the island. It is important to note that tourism on Providenciales and the other islands is primarily land-based, while on Grand Turk, it will be cruise-based. We have no intention of mixing the two. Cruise ship tourism is important to us, particularly as we are an upmarket destination. People are paying very good prices to stay in hotels and so on.

"We have been investing millions in construction, in modernizing the country's infrastructure, our roads, schools and hospitals. We are trying to keep up with the private investment," says Misick.

TCI also has one of the most accessible and safe air routes in the Caribbean. Earlier this year, the country was awarded Category 1 status under the U.S. Federal Aviation Administration's Aviation Safety Assessment program (IASA). Flights already depart from several U.S. cities including Miami, Fort Lauderdale, Boston and New York, with direct daily flights from London and Toronto. There are also flights from the Bahamas and other parts of the Caribbean on Bahamasair, Air Turks & Caicos, Air Jamaica Express and Sky King.

Misick says: "We are now looking at other possibilities, including a route from Dallas and more flights from France and Italy. We want the world to come and visit."

The islands are certainly a tempting prospect. As Misick so eloquently says: "We have a policy of red carpet, rather than red tape and we want as many people as possible to come and visit the islands and see the beauty and the investment opportunities we have. It is a small but beautiful country and I am sure that after two weeks, they will never want to leave."