

Building bridges to bigger opportunities

By ZHUAN TI
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Since they established diplomatic relations in 1977, Barbados and China have continually strengthened their commercial and cultural ties.

Barbados' diversified economy comprises major contributions from tourism and financial services, supported by activity in the energy, agriculture and manufacturing sectors. As these develop, new investment opportunities have emerged.

"The government is continually looking to make the business environment friendlier," said Barbadian Prime Minister Freundel Stuart.

Commercial relations between Barbados and China have been cemented by several reciprocal trade missions and more than 20 economic agreements. These include a visa waiver agreement and a double taxation agreement.

Barbadian Minister of Finance Christopher Sinckler said, "We have had a double taxation agreement for some time, but we have revised it to make it better suited to the



Freundel Stuart, prime minister of Barbados

present business climate."

China already plays an important role in the socio-economic development of Barbados and has funded major construction projects such as the Garfield Sobers Gymnasium, the Sir Lloyd Erskine Sandiford Conference and Cultural Center, and the renovation of the island's iconic Cheapside Market building.

In recent years, securing project finance has not been easy for Barbados. "Access to concessional

financing has been at a premium since the global financial crisis," Stuart said. "You know who your friends are when they are prepared to help you in difficult times and China has unfailingly shown its support for Barbados."

The government is finalizing plans for numerous tourism projects including a \$600 million development of the Pierhead Marina and discussions are also underway to build a \$420 million sewerage plant that will significantly enhance the water distribution network.

"These are two projects for which we would like to utilize Chinese funding," said John Mwansa, general manager of the Barbados Water Authority.

Cultural ties are also expanding. The Confucius Institute now operates from the University of the West Indies to improve the understanding of Chinese culture and language.

Stuart said he welcomes the partnership Barbados has forged with China. "I believe that the foundations have been laid for even closer relations in the future," he said.

Chinese investment plays large role in island nation's tourism

By ZHUAN TI

In many ways, the recent history of Sam Lord's Castle tells the story of tourism in Barbados today. The five-star resort was destroyed by fire in 2010, but construction has begun on a resort on the site that, when completed, will rival any other tourist destination in the world for its luxury, business and well-being facilities.

China has played an important part in its redevelopment via a \$170 million preferential loan to fund the project.

It was the first major preferential loan China has made to the tourism sector in Barbados since President Xi Jinping announced in 2013 that \$1.5 billion in preferential loans would be made available to the Caribbean.

China's Ambassador to Barbados Wang Ke said at the groundbreaking ceremony that the investment wrote "a new chapter in the mutually beneficial cooperation between China and Barbados, making China the only country to offer large-scale preferential loans to finance infrastructure projects in Barbados."

"The hotel will play a positive role in attracting more foreign exchange income into Barbados and increasing employment. It will give the national economy a boost and enhance the competitiveness of Barbados as a high-end tourism destination," she added.

Barbados already has a well-established

tourism sector but the government is determined to upgrade its facilities further.

"Barbados is considered a mature tourism destination, so there is a lot of potential to modernize what we offer," said Stuart Layne, CEO at Barbados Tourism Investment Inc. "All our plans are designed to be sustainable so we can develop a tourism sector that is not only fit for today but also for the future."

This approach is best illustrated by the Sam Lord's Castle, which will be powered by renewable energy sources and aims to achieve platinum certification under the international Leadership in Energy and Environmental Design program.

There are many other projects under discussion that offer significant investment opportunities.

"China and Barbados are negotiating other major projects to be funded by China's preferential loans, such as the reconstruction and expansion of Grantley Adams International Airport and the Pierhead Marina project in Bridgetown," Wang said. "We have every reason to expect a promising future of cooperation between China and Barbados."

The Pierhead Marina development would create berths for 80 superyachts, enhancing Barbados' ability to cater to the luxury market. A dedicated terminal for cruise ships is also being designed that would free up the island's main commercial port in Bridgetown by separating

cruise traffic from cargo vessels. These projects carry a potential investment value of \$600 million, outlining their importance.

Barbadian Minister of Agriculture, Food, Fisheries and Water Resource Management David Estwick said: "By separating tourist and commercial activity, both sectors will benefit."

Layne is keen to underline the scale of investment opportunities in Barbados and said the total value of projects currently under consideration is \$2 billion. He also believes Barbados offers an attractive financial environment.

In particular, he highlighted the tax treatment of tourism investments and the financial incentives that allow construction expenditure and the provision of certain amenities to be offset against profits.

"There are a few countries that claim their tourism sector is an export industry, but we made legislative changes to ensure that only outputs and not inputs are taxed," he said. "I do not think there is another country that can make such a boast."

Layne said he believes the negotiations for investment in Sam Lord's Castle will prove beneficial in the future.

"We now have a blueprint for what is required," he said. "The next time around it should be far easier and quicker to address any concerns and provide all the required material."

BNOC powering the economy

By ZHUAN TI

Barbados has diversified the island's economy from its historical reliance on sugar so that today, balanced and sustainable growth also comes from strong performances in three key sectors — tourism, financial services and energy.

The Barbados National Oil Co, established in 1892, spearheads the local energy sector and satisfies around 30 percent of the country's overall consumption of oil and natural gas.

BNOC's upstream activities are

focused on onshore exploration and production.

In the last two decades, BNOC has produced 10 million barrels of crude oil, 22.8 billion 645.6 million cubic meters of natural gas and 274,000 barrels of liquid petroleum gas.

The company ships local crude to a refinery in Trinidad and in return receives fuel that supplies 80 percent of Barbados Light and Power Ltd's gas needs and helps prop up the island's industrial and commercial sectors.

As well, BNOC imports and dis-

tributes additional petrol, diesel and aviation fuel needed by the island's 285,000 inhabitants. It also supplies NPC, the State-owned organization set up to market natural gas to commercial, industrial and domestic customers in Barbados.

BNOC has an excellent health and safety record and commits to the highest environmental standards. The company has an active corporate social responsibility program and is involved in many youth and community development activities.

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Barbados Tourism Investment was created with the following mandate:

- to develop a portfolio of tourism-related properties on its own or in joint venture with private and public partners;
- to manage the implementation of the Urban Rehabilitation Programme for Bridgetown, Speightstown, St. Lawrence Gap, Oistins as Executing Agency for the Government of Barbados; and
- to facilitate both public and private sector-owned investment in tourism and hospitality sector in Barbados

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