



**Remarks
Hon. Dr. Hubert A. Minnis, M.P.
Prime Minister**

**Bahamas Chamber of Commerce and
Employers' Confederation**

Power Breakfast

Baha Mar

**Friday, 1 February, 2018
Nassau, Bahamas**

Distinguished ladies and gentlemen:

Good morning.

Thank you for your invitation to speak at your Power Breakfast. I know that a number of Cabinet Ministers have previously addressed this forum.

The Government's overarching agenda is one of reform, modernization, and transformation, animated by a program for growth, investment, and opportunity.

Despite the long road and challenges ahead, there is a growing confidence in our country.

There are positive prospects on the horizon. Recovery has begun.

Our emphasis is on a dynamic blend of domestic and foreign investment.

We are determined in our vision to enhance economic opportunities for Bahamian businesses and entrepreneurs, including Bahamians in the Diaspora.

We intend to diversify within tourism and across various sectors, as suggested in the Commercial Enterprise Act.

At the outset, I thank the Chamber and the Confederation for partnering with the Government to help boost growth, economic development, employment and opportunity.

To help stimulate business ownership and Bahamian enterprise, the Cabinet has approved the launching of the Small

Business Development Center of The Bahamas this year.

It is an initiative spearheaded by the Government, along with the University of The Bahamas and The Bahamas Chamber of Commerce and Employers' Confederation, with support from the Organization of American States.

This Center will provide a resource for all Bahamians to receive advisory and technical

support when seeking to open a business or to expand their operations.

The Center will steer entrepreneurs to available funding opportunities through government or private means.

It will also assist business owners in navigating through the regulatory and tax registration requirements for a new business.

The Government is committed to the enhancement and development of micro-, small- and medium-sized enterprises, known as MSMEs.

Small- and medium-sized business development is critical for economic growth.

I announced on Monday that the Government will invest \$25 million dollars to help develop MSMEs.

This will amount to five million dollars a year, for the next five years. This ambitious initiative will help stimulate the economy, and boost growth and employment.

In the past several weeks, a number of your members have participated in the Labour on the Blocks initiative.

The initiative utilizes community parks and community centers to register the

unemployed, and to bring prospective workers together with potential employers.

The most recent event in the series was a Construction Jobs Fair held recently at the Kendal Isaacs Gym.

I am pleased to report that in the week or so following the event, that approximately 300 people have been hired.

I thank Minister of Labour Dion Foulkes, the Ministry of Labour, the Department of

Labour and their partners for such an innovative program that is bringing jobs and hope to many communities.

Ladies and Gentlemen:

This Breakfast comes after my keynote address at the Bahamas Business Outlook Seminar on January 18th, and my National Address on Monday.

I thought that this morning I might highlight some of the themes I addressed in those speeches.

I would also like to note some of the education and training reform measures foreshadowed in my National Address; measures which will help with skills development and employment-readiness.

We have already begun to introduce a number of overdue reforms.

After consultation with the Central Bank, we have begun a process to relax various exchange control measures.

Without prior reference to the Central Bank, Bahamian-owned businesses will be allowed to maintain operating deposit accounts with up to \$100,000 in foreign currency at domestic commercial banks.

These accounts will have to be funded exclusively from revenues earned in foreign currency.

This reform goes into effect today, February 1st. There is more exchange control liberalization to come.

Recognizing that economic growth requires improving the ease of doing business, soon after coming to office last year, the Government appointed a committee to make recommendations to improve the ease of doing business in The Bahamas.

Having been a businessman for many years, I know the frustration that business owners feel in complying with certain government processes.

The Ease of Doing Business Committee used 10 categories established by the World Bank to make recommendations to the Government.

These categories, and the rankings for the Bahamas can be reviewed at the Bank's website.

Let me review some of the issues involved if we are to enhance the ease of doing business, and to move to a more productive and dynamic economy.

Presently, many government agencies require written certifications from applicants

during the application process for various licenses and permits.

This often includes original paper confirmations to demonstrate that applicants have paid their taxes to other government agencies, or have complied with certain requirements of other government agencies.

Collectively, these paper confirmation and certification processes consume a significant amount of time, and are often an

inefficient burden for applicants as well as the government agencies, that must sort through the volumes of documents created. This process is antiquated.

One example is found in the Business License application process.

Applicants are required to supply the Business License Department with: company fee payment and good standing confirmations; NIB payment confirmations;

property tax payment confirmations and sanitation certificates.

The application forms contain the company registry number, the NIB employer number, and the property tax assessment number, which would enable the Business License Department to easily contact these other government agencies in order to determine the status themselves.

An idea for reform is for government ministries to instruct their agencies, departments, and employees, to review their license and permit application processes, in order to eliminate, wherever possible, the paper confirmation, and certification requirements, from other government agencies, and substitute same, with direct agency to agency contact to acquire the information directly.

The enhancement of E-government systems could make this an efficient technology-driven process for the government.

It is easier for a government employee to obtain confirmations from another government employee by an internally agreed upon method, than for the private sector to collect numerous paper confirmations, from the front desks of various government agencies.

Presently, the calculation of Business License fees, the timing of such, and the accountant's certification requirement, is collectively an extremely burdensome process that is handled inconsistently by different parties.

The definition of "turnover" is ambiguous and it is therefore calculated inconsistently by different businesses, often to the government's detriment.

The nature of the accountant certification process places a burden on businesses, which now have to produce three sets of income statement figures:

One for VAT reporting, one for Business License Turnover, and the actual books for routine financial reporting.

Additionally, the Business License fee structure has numerous fee levels that encourage businesses on the margin of a

fee break-point to manipulate results to stay at the rate most favorable to them.

All in all, the Business License regime layered over the VAT regime has resulted in an inefficient and cumbersome business environment.

The process of preparing VAT returns is complex. Many businesses require professional accounting assistance to prepare their returns.

While large businesses have in-house accounting departments and the resources to engage external accounting and legal services, many small-and-medium sized businesses (SMEs) simply do not have the resources to do so.

One idea to respond to this challenge is the establishment of an SME Tax Helpdesk to provide assistance to SMEs with tax matters, including, the preparation and filing of VAT returns, invoice formatting etc.

Presently the VAT Department and Public Treasury are at separate locations.

Documents which must be stamped must first be taken to the Department of Inland Revenue and then to the Public Treasury.

This process will be simplified through better electronic interfaces and other measures.

The Ease of Doing Business Committee has made other recommendations which will be discussed and reviewed.

We will then begin the process of introducing the necessary legislation and implementing various recommendations.

To streamline the business licence process, the Department of Inland Revenue, is launching an initiative to make the business licence approval process faster, and easier, by creating a single point for submission of all applications related to the opening of a business.

This will eliminate the need for visits to multiple agencies and will provide a source of information where all the requirements for opening a business are clearly outlined.

The Department is running a pilot program and the new process is expected to be rolled out in the coming weeks.

I make this firm and unwavering commitment to you:

This year will be one of modernization and transformation of the business licence

process, as well as reform of other government processes, in order to significantly improve the ease of doing business.

Ladies and Gentlemen:

The construction sector is our second leading industry.

In my National Address I announced a number of significant projects that will help to boost the construction sector.

We intend to execute plans for the continued refurbishment of Festival Place, Downtown Nassau.

We are already moving beyond this commitment and examining plans for the complete redevelopment of Prince George Dock and the surrounding areas.

We believe that the redevelopment of Prince George Wharf is essential for the redevelopment of Downtown Nassau.

We promised to launch the rebound of the island of Grand Bahama in accordance with a master strategic plan designed for Grand Bahama, and to establish a tourism signature identity in the marketplace for Grand Bahama.

As I have stated before: The restoration of the economy of Grand Bahama is critical for the economic recovery of the Bahamas.

Our plan for Grand Bahama is well underway with the private acquisition and management of the Grand Lucayan assets including the hotels, the golf courses and the casino.

This year, we intend to complete the sale of the Grand Lucayan and Memories property.

The Government has recently received an application in relation to West End, Grand Bahama for the Grand Palm Beach property.

In 2008, the previous developer went into foreclosure and the Government has now been advised that Grand Palm Beach Acquisitions Ltd. has entered into a Purchase and Sale Agreement for the purchase of a large-scale resort known as “Ginn Sur Mer” in the West End of Grand Bahama.

Grand Palm Beach Acquisitions Ltd. will construct, repair, revitalize, develop, and operate 246 rooms in three hotels, a banquet facility, 116 branded hotel residences, 1,000 other residences, a hotel/casino site, approximately 150,000 square feet of shops and restaurants, a spa and wellness retreat, two marinas, an 18 golf course including driving range, an IFR-rated airport, a resort hospitality training academy, and an organic farm.

Grand Palm Beach Acquisitions Ltd. intends to repair, revitalize, and develop the Property to be known as “Bahama Bay” in nine phases over a 10 year period with a projected expenditure of Two Billion Five Hundred and Sixty Million Dollars.

The application is now before the National Economic Council to approve in principle, and to authorize the relevant government agencies to negotiate a Heads of Agreement on an expeditious basis.

Ladies and Gentlemen:

This year we will introduce an ambitious housing program.

Through this program, the Government will provide lots at low cost to potential first-time home owners in New Providence.

The homeowners will be responsible for building their own homes. They may utilize their own architect or utilize pre-existing plans offered by the Government.

The potential homeowners will have two years to build their homes, at duty-free concessionary rates. This incentive will help to boost new construction.

The program will be extended to Family Islands, thus encouraging family island ownership, second home ownership, and entrepreneurship development of bread and breakfast properties.

Our housing program should create considerable opportunities for the construction industry and related businesses.

Ladies and Gentlemen:

Education reform is high on the list of priorities for my Government.

We recognize that the education and training of Bahamians are key factors in the progressive and sustainable economic development of the country.

The new leadership team at the Ministry of Education is addressing: the national skills deficit, and the critical need to improve sub-standard literacy, numeracy and communication skills.

Recognizing that staff skills and competencies have a direct correlation with educational results, the Ministry of Education has embarked on the mandatory training and professional development exercise of its entire staff complement.

The Ministry has also refocused on a specific goal to increase the graduation rate.

My Government has been working to enhance education via technology and experienced-based learning.

The government has launched the eLearning Pilot Programme in eleven schools throughout the archipelago.

The goal of this initiative is to modernize the way Bahamian youth are educated, using tablets for interactive learning and using software that allows parents and

teachers to better monitor and track a child's performance.

The government has also begun to address the infrastructural deficit that is faced in certain areas of the country.

We have begun in the southwest area of New Providence, with the finalization of a commitment to construct a new primary school.

The government is actively positioning itself for an aggressive construction and upgrade programme for the public school system, which will better enable learning.

The National Training Agency is committed to building its capacity and has a number of objectives in mind, which include:

- Identifying, developing and promoting industry standards for occupation and training programs and developing assessment instruments that meet

national, regional and international standards;

- Clearly establishing the NTA as the agency for certification and accreditation of certain skills-based training programs;
 - Preparing and implementing additional plans for workforce vocational training in accordance with national policies, economic need and industry demands;
- and

- Designing and developing a tracking and monitoring system to measure the results of the Agency's activities.

I ask for your assistance in working with the National Training Agency to help reduce the skills and training deficit in the country.

Ladies and Gentlemen:

To boost investment and growth, it is my intention to undertake several investment promotion trips abroad to include Canada,

the United States, Europe, East Asia, and South America.

We look forward to the participation of the private sector in this initiative.

These travels are designed to attract high quality investments to our country.

A major theme of our newly-designed promotions is that the Bahamas is, “An Archipelago of Possibilities”, suggesting the diversity of “The Islands of the Bahamas”, and the diversification of investment

possibilities ranging from tourism, to financial services, to technology, to aquaculture, to renewable energy, to nanotechnology, and other emerging industries.

Our aim is to promote a new Bahamas, open to investment, with joint partnerships with Bahamians, and streamlined processes for investors, including potential investors from the Diaspora.

Ladies and Gentlemen:

Thank you for your attention. Let us work together to make this a dynamic year of growth, investment and opportunity.

I am optimistic and confident that greater prosperity is on the way for our Bahamas.

Thank you and good morning.
