



Opening Remarks

**THE HON. BRENT SYMONETTE, MP
MINISTER OF FINANCIAL SERVICES, TRADE &
INDUSTRY, AND IMMIGRATION**

"Global Integration or Dis-Integration"

ROYAL FIDELITY BAHAMAS ECONOMIC OUTLOOK (BEO) 2018

BahaMar

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Good Morning Ladies and Gentlemen.

I am pleased, to bring opening remarks to Royal Fidelity's Bahamas Economic Outlook Conference.

I noted with much interest the theme of the conference "*Global Integration or Dis-integration*" a topic which is of significant importance in light of current global trends, but one which also goes to the heart of many of the issues that fall under my Ministerial Portfolio as the Minister responsible for Financial Services, Trade & Industry and Immigration.

It is also a challenge to be here this morning after the Prime Minister's Address to the Nation wherein he outlined many issues which affect all of us.

However, today, countries are linked by cross cutting issues like trade, travel, immigration and technology which make us more interdependent and reinforces global integration.

Some may argue that the exit of the United Kingdom from the European Union, Brexit, as a manifestation of the Disintegration of the European Union.

As a signatory to the Economic Partnership Agreement (EPA) of which The Bahamas, the UK and the European Union are signatories, the exit of the UK from the European Union raises issues which impact trade, foreign direct investment, immigration, and even technical assistance for a small island developing archipelago like The Bahamas, and touch on issues that go the heart of my own ministerial portfolio.

Since assuming office last May, many of you are aware of the significant strides the Government has made, on long standing issues which can position The Bahamas to take its rightful place within the global community and to address issues which can have far reaching implications for the future economic development of The Bahamas.

We all recognize that The Bahamas can no longer remain on the periphery of the global discussions that can impact the way we do business.

The Bahamas is strategically located, just a few miles off the coast of the continental United States and we have many convenient air and sea connections to the Caribbean, Europe, Asia and Latin America.

Globalization and cross border transactions are the order of the day. However, despite the uncertainties prevailing in the global market, The Bahamas, as a small island state, has always been adaptable to the demands of the global economy, and will continue to do so.

Our survival depends on it.

The Government continues to engage stakeholders in every segment of the economy which also impact the diverse portfolio for which I have Ministerial responsibility.

My Ministry continues to meet industry partners, assembling working groups to hear concerns and share

ideas on the way forward for our country to meet and exceed the expectations of our global partners, in order to attract more and new business to this country, create jobs and improve the standard of living of all Bahamians.

We recognize that the answers do not lie with one agency, but it must be a concerted effort involving both the public and private sectors, if we are to be successful in our efforts to seek to stimulate economic growth in spite of the challenging global environment in which we operate.

EASE OF DOING BUSINESS

Ladies and Gentlemen,

The ease of doing business as was mentioned in the Prime Minister's National Address yesterday has been top on the Government's list since taking office in May. The Goal of eliminating unnecessary bureaucratic protocols and practices in our administration of daily business transactions is starting to come to fruition. While the improvements in the business license process is in its infancy phase with a pilot project, we continue to work to see its completion. Improvement in the ease of doing

business is the lifeblood running through our small economy. Take it away and we will stagnate and die while others around us grow and prosper. But as the Prime Minister stated the recommendations of the Ease of Doing Business Committee are being reviewed with a view of implementing as many of them as possible.

We are also looking at amendments to legislation coming from the Central Bank of The Bahamas, around making the process around Know Your Customer, Money Laundering and Terrorist Financing less regimented and more fluid to make it easier to open accounts and transact business.

The Securities Commission of The Bahamas is also looking at amendments to the Investment Funds Bill.

We continue to modernize the products and services we offer our clients in order to better position us to compete globally while maintaining best practices, and remaining compliant in the face of an ever changing global landscape.

The Government continues to be engaged in discussions with the Governor of the Central Bank on calls to relax exchange control, an issue which is of concern to many in the business community.

Many believe that relaxation can attract foreign direct investments and allow Bahamians and foreigners alike to move goods and products more freely and efficiently.

The Prime Minister announced yesterday that businessmen will be permitted to operate foreign currency accounts with local banks provided that they are funded from external sources. There will be more announcements in the near future.

COMMON REPORTING STANDARD (CRS)

Ladies and Gentlemen,

The Bahamas is known to have a sound regulatory regime governing its financial services sector.

This infrastructure was established over decades.

However, our challenge remains that the goal post to which we are measured keeps shifting by international bodies such as the OECD, FATF and other regulatory bodies.

As a global financial centre, we must keep abreast and compliant with global financial initiatives that will keep us as an attractive place to do business while also being a compliant jurisdiction.

We did not shy away from the challenge.

In December, we signed the Convention on Mutual Administrative Assistance in Tax Matters, the Multilateral Competent Authority Agreement and became a member of the Inclusive Framework for the implementation of Base Erosion and Profit Shifting (BEPS).

Signing onto these initiatives sends a loud and clear message to our international counterparts that The Bahamas is serious in its commitment to adhering to international standards relative to tax compliance and co-operation.

WORLD TRADE ORGANIZATION (WTO) ACCENSSION

Ladies and Gentlemen,

These uncertain economic times and global uncertainties require the Government to use every tool within its tool box to stimulate economic growth, diversify our economy and create new jobs.

The information age has brought the global economy to our doorstep. If we do not position ourselves to compete in the global marketplace, our survival as a country will be jeopardized. Globalization demands that we create a more open, productive and competitive society.

Ladies and Gentleman,

We have heard it time and time again that The Bahamas is highly reliant on tourism, financial services and foreign direct investment to drive our economy.

These sectors are the lifeblood of our economy.

However, there are certain realities that we face as a small archipelago.

We have consistently pushed, and been pushed by, our global competitors who think of The Bahamas as the Island of New Providence and not an archipelago with islands at various stages of development supporting populations living on them.

Remaining on the outside looking in when decisions are being made which can affect our country's development and having no say when rules are made or decisions made is no longer an option for The Bahamas.

The World Trade Organization is the international organization made up of member states who decide the rules that will govern trade.

Why not become an active participant in making those rules and taking our rightful place at the table where decisions are being made that can affect our country's economic well being.

My Ministry will shortly commence on a nationwide campaign to educate, discuss and consult on the way forward in the WTO accession programme which we hope to complete by December 2019 – an ambitious deadline.

In facing the realities of this interdependent and globalized world that we live in, we must remain competitive in these sectors where we have a competitive advantage and foster competitiveness in sectors with untapped potential.

As a member of the WTO, we will not only be showing our commitment to fully integrating into the global economy, but we will send a signal to the world that we are ready and able to compete and are open for business.

To assist in this endeavour, the Government has been strengthening trade-related institutions and ensuring that The Bahamas has in place relevant laws and institutions in keeping with international best practices.

We are modernizing our Customs Department to become more efficient in its delivery of services which is necessary for the business community to operate efficiently.

Its processes will soon become paperless and seamless once the Electronic Single Window (ESW) is launched and other changes will follow.

We now have a functioning Bureau of Standards and Quality, which will assist in ensuring that imported products are of a high quality and standard, which also assisting local businesses in meeting international standards to get their products on the global market.

Our legislation which supports trade and foreign direct investment are also being updated.

In 2015 a suite of Intellectual Property Legislation was passed.

IP Regulations which will enable those Statutes to be brought into force have now been drafted and are now the subject of public and private consultations.

We pride ourselves on attracting foreign direct investment. The enactment of Intellectual Property Legislation gives foreign direct investors the confidence to know that their investment in their intellectual property rights will be protected according to the highest international standards.

The Government will next move to bring transparency to the process involved in the approval of the foreign direct investments by codifying the process through the Foreign Investment Bill.

The Government is also working on a project to overhaul the Bahamas Investment Authority so as to streamline the process of approving direct foreign investment and other investments.

COMMERCIAL ENTERPRISE ACT

Ladies and Gentlemen,

There was a lot of noise in the market around the Commercial Enterprise Bill when it was first introduced. Now that the legislation has been passed, the Act should

result in a greater attraction of foreign direct investment in strategic sectors which have the potential to create new jobs and opportunities for Bahamians.

The Government is seeking to make it easier for persons investing in specialized areas such as arbitration, technology, call centres, International and maritime trade and captive insurance to obtain work permits more quickly with the ultimate aim of transferring knowledge, talents and techniques to the local workforce.

These are exciting times ladies and gentlemen for our country.

As the Prime Minister said yesterday 2018 will be a year of growth investment and new jobs and economic opportunity for The Bahamas.

CONCLUSION

Ladies and Gentlemen,

Financial Services is integral to the sustainability of the economy of The Bahamas.

But we have seen that there are other tools that the Government can pull from the tool box to diversify our economy.

The Government is committed to providing the platform and enabling the necessary legislative policies, processes, and administrative services to allow this country to operate more efficiently and to thrive as a second to none international centre, for financial services, trade or arbitration.

Although a small nation, vulnerable to external economic shocks, we have never backed away from any challenge the global economy has confronted us with. While we are making a number of significant strides to integrate our economy with the global economy, we are also seeking to stimulate growth in non-traditional sectors of economic activity which will better enable us to adapt in these times of uncertainty.

We welcome your feedback.

Thank you and on behalf of the Government of The Bahamas I wish you a successful conference.