

CARIBBEAN

Shared goals driving the region forward

Leaders in the Caribbean have identified that a strong working relationship with the US is vital to ensuring long-term security and prosperity throughout the region

Last year marked an important occasion for leaders across the Caribbean as US Vice President Kamala Harris arrived in the Bahamas to discuss new initiatives and display the administration's commitment to advancing cooperation with the Caribbean. More than \$100 million in new assistance for the region was announced, as were plans to address the climate crisis.

"Strengthening the US-Caribbean relationship is a priority for me, as it is for President Joe Biden. These meetings have proven to be very important and essential to the strength of these relationships. As neighbors, the United States shares common bonds and interests with the Caribbean nations. Our partnership, we strongly believe, is essential to our mutual security and prosperity," remarked Harris during an address at the start of the US-Caribbean Leaders Meeting.

"From the climate crisis, to development financing and security, we have achieved substantial progress in the last two years based on shared priorities. The security and prosperity of this region requires the type of collaboration and partnership that we have developed and continued to grow over the last two years. It is the full intention of our administration and the United States to continue this good work, knowing, of course, there is more to do but that progress has been made."

The commitment of Harris, who is now standing as the Democratic presidential nominee, to strengthen ties between the Caribbean and the US carries significant importance, especially given that geopolitical tensions and economic fragmentation have threatened economic growth across the globe.

Nations throughout the Caribbean are identifying ways to make their economies more robust and are seeking increased support from the US.

This can be seen in Grenada which aims to become a regional leader in renewable energy and is seeking investment from numerous US companies, while Dominica hopes to strike deals with US airlines to bring more direct flights to the country.

KAMALA HARRIS
VICE PRESIDENT OF THE UNITED STATES

"Strengthening the US-Caribbean relationship is a priority. Our partnership is essential to our mutual security and prosperity."

Already critical investment from the US has arrived in the form of a US-Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030) — a new framework created to support climate and energy resilience throughout the Caribbean.

As part of this, the US loaned almost \$1 billion to the Clean Technology Fund which has invited the Dominican Republic to prepare an investment plan to access \$85 million in concessional finance. This is in order to support a transition to clean energy through the Accelerating Coal Transition program.

Furthermore, the National Renewable Energy Laboratory is supporting Antigua and Barbuda with clean energy and energy resilience



The Caribbean has much to offer beyond sandy beaches and clear waters

initiatives, while the US State Department's Power Sector program is providing technical support to Dominica as it seeks to support a commercial geothermal power project to achieve 100 percent renewable energy in its power sector.

The USDA Food for Progress also has several projects in Jamaica, Haiti and the Dominican Republic that total \$59 million. These projects focus on strengthening food security and enabling trade.

The importance of trade

Ever since the Caribbean Basin Initiative (CBI) was launched more than four decades ago, 17 countries within the Caribbean have had duty-free access to the US market for the majority of goods. This trade policy acted as a catalyst for these nations and allowed them to make huge economic strides.

As an example, the CBI allows Jamaican companies to export more than 5,800 products to the US without tariffs. This has led to the States becoming Jamaica's largest trading partner, with trade between the two countries exceeding \$3 billion in 2023. Meanwhile, overall exports from the Caribbean to the United States reached \$258 billion in 2023, while imports were \$308 billion.

Another factor that has helped to increase bilateral trade and strengthen economic relationships are the annual meetings with the Caribbean Community (CARICOM) and the United States.

Ever since the CARICOM-United States Trade and Investment Framework Agreement

was signed in 2013, delegations from the 15 members of CARICOM have met with trade representatives from the US.

At the most recent meeting in October of 2023, both sides agreed that there was a need to jointly explore ways to increase utilization of the CBI programs and thereby significantly expand regional trade. Dominica hopes to be a beneficiary of this, as while the US remains the Caribbean region's largest trading partner, the island nation only exported \$2.27 million to the States last year.

There is hope that this number will start to gradually rise in the coming years as the nation concentrates on building up its booming agricultural sector.

The island has traditionally exported fruit, vegetables and their by-products but has not had the infrastructure in place to take full advantage of what is produced. That is beginning to change as work is underway to build the island's first-ever international airport. Coinciding with this, new roads are being built so that when the airport is completed it will be easier for farmers and producers to export their goods to the US.

Agricultural sustainability and food security are key issues for many Caribbean nations and it is why CARICOM works closely with the US to ensure that trade is expedited and that costs are reduced.

Improving transport links

Of course, the US is not just the Caribbean region's largest trading partner, it is also an important tourism source market. Inbound

tourism has been on an upward trend in recent years, with the US contributing 16.3 million stay-over arrivals to the Caribbean in 2023, which marked a 12.7% annual growth rate and was 4.2% higher than pre-pandemic levels.

Key developments were key to this success, including increased air capacity, strategic marketing initiatives and the hosting of high-profile events. That continued this year when the Caribbean hosted the ICC Men's T20 Cricket World Cup, which proved to be a great way to showcase the region's culture and heritage to a global audience.

Many Caribbean countries have also introduced initiatives to attract cruise lines and are particularly targeting tourists from the US and Canada. The Dominican Republic, which accounted for more than 31% of the overall Caribbean region international arrivals in 2023, has invested heavily in the Port of Cabo Roj and has recently started to welcome cruise ships.

The Port Authority of Jamaica opened a new cruise ship port in Falmouth, Trelawny, which is now home to numerous cruise lines, including Royal Caribbean. In the Bahamas, Disney Cruise Line is planning to build a cruise port and entertainment facility, with the huge project set to include a port, entertainment and leisure space, retail and commercial space and parking facilities.

In addition to new cruise ports, a new international airport is also close to opening in Barbuda. Featuring a 7,100-foot runway and costing in excess of \$14 million, it will be able to accommodate large aircraft, potentially attracting a wider range of visitors.

Dominica's unique offering

Known as the 'nature island' Dominica is unlike any other country in the Caribbean

Home to dense forests, dramatic volcanic scenery and some of the best diving spots in the Caribbean, Dominica has long been one of the region's hidden gems. That is now beginning to change as people around the world are becoming increasingly aware of the natural beauty of the small island nation.

While Dominica is keen to attract more visitors to its shores, the government has also recognized the need to control tourism and ensure the island's natural wonders are protected. That is why it is promoting itself as a go-to destination for eco-tourists and is seeking visitors who want authentic experiences and care about sustainability.

Not only is it protecting the flora and fauna on the island, but also the waters around it. It is one of only a handful of countries in the world to have formally committed to protecting over 30% of its waters and is creating the world's first marine protected area for one of Earth's largest animals: the endangered sperm whale.

The government of Dominica revealed that the reserve will allow for sustainable artisanal fishing and delineate an international shipping lane to avoid more deaths of sperm whales. The initiative has also received praise from scientists who believe the reserve will not only protect the animals but it will also help fight the climate crisis.

"The creation of the sanctuary is going to be very important as it will protect the whales and provide an opportunity for visitors to see them. We're already known as one of the top ten diving destinations in the world, but this will boost our tourism offering as many people want to be able to go on whale-watching excursions and in Dominica sightings happen year-round," explains Benoit Bardouille, CEO of the Dominica Air and Sea Ports Authority (DAPSA).

Dominica is certainly planning for a bright future and there are a number of exciting projects in the world. This includes the construction of a new international airport that will help bring more direct flights to the country, while work is set to begin on a geothermal plant. Find out more about these projects in the pages that follow.



The three countries are part of the Windward Islands

Grenada's future

A nation looking to lead the renewable energy charge

This year sees Grenada celebrating 50 years of independence as it looks back on how far the country has come over the last five decades. But it is not just a time for reflection, with the government keen to push ahead with bold plans that could see the island nation become a regional leader in renewable energy.

Grenada has a goal of generating 100% of its electricity from renewable sources by 2030, which has led to significant investment in projects that include the construction of solar and wind farms. The projection is that the country could generate up to 20 megawatts from wind, 25 to 50 megawatts from solar, and more than 50 megawatts from geothermal energy.

The Caribbean country's current power infrastructure relies on imported fossil fuels, so the transition to renewable energy will not only significantly lower energy prices but will also ease the impact on the environment.

Like many countries hoping to transition to green energy, Grenada is now seeking foreign investment as it bids to build the necessary infrastructure. This will include a host of solar projects, including one at Maurice Bishop International Airport.

In addition to a focus on renewable energy, Grenada is also bidding to become a regional leader in healthcare. To find out more about the country's plans for the future, turn to page five of the report.

Time to invest in Saint Lucia

Investment opportunities are abundant in the country's booming tourism sector

One of the Caribbean's most popular destinations, Saint Lucia is blessed with an enviable combination of idyllic beaches, stunning scenery and a rich culture. It's a place where visitors can choose to simply relax and take in the picturesque surroundings, explore natural landscapes and become immersed in French, African, East Indian and English cultures.

Due to this remarkable offering, it is no surprise that the tourism sector has proven to be an important pillar in Saint Lucia's economy. It is also why the government has chosen to invest heavily in a port enhancement project that will enhance the experience of tourists arriving via cruise ships.

The various upgrades will take place over the course of the next two years and will ensure that more than one million cruise ship visitors will be able to disembark annually.

While arrival numbers continue to grow, so does the offering within the country. There is so much more to Saint Lucia than just sandy beaches. The island is a leading destination in the region for those seeking nature and adventure.

Horseback riding, hiking and diving are popular activities among tourists, as are excursions to sulphur springs, waterfalls and the stunning national rainforest that covers 19,000 acres of mountains and valleys.

While the booming tourism sector has become increasingly popular among global investors, there are several other emerging industries that are ripe for investment. These include business process outsourcing, manufacturing and agri-business.

All are areas that are experiencing significant growth and are keen to attract foreign investment. That is where Invest Saint Lucia comes in, as the official investment promotion agency provides professional advice and guidance throughout every stage of a project.

Responsible for stimulating, promoting and facilitating the development of business and investment activities in Saint Lucia, the agency has enjoyed great success in recent years. You can read more about the company and the island of Saint Lucia starting on page six of this report.



Sugar Beach's white, sandy beaches typify the island



A panorama view over cruise terminal in Castries, Saint Lucia towards the airport

Investment in Saint Lucia has never been easier

The Caribbean island of Saint Lucia has a thriving tourism industry waiting to be explored. But serious investment opportunities also await the well-heeled and the dynamic

Investing in Saint Lucia can take many forms and be conducted via many means. The country's investment promotion agency, Invest Saint Lucia, is doing as much as it can to assist and hold the hands of would-be investors to prove that their decision to enter the market was the right one.

Octavian Charles, who heads Invest Saint Lucia, highlights some: "we can grant you duty-free on the vehicles that you bring in and your expertise people bring in from overseas. Some want to bring in their vehicles, their furniture, their fixtures and so on. Since they will be employed here contributing, we can get duty-free concessions for them and tax concessions as well." He adds that money made from investments can be repatriated to people's home countries without limits: "we don't dictate to you what you do with your finances. If you are US-based and you want to take some of your money back, we have no restrictions on how much money should be leaving the country." Furthermore, the Tourism Incentives Act provides up to 100% income tax exemptions from income accrued from a new hotel or other approved tourism product for a maximum of 15 years and up to 100% exemption from income taxes pertaining to any extensions to an existing approved tourism product for a maximum of 10 years. The country also boasts a Fiscal Incentives Act which provides up to 100% exemption from import duties on plant equipment, machinery, spare parts, raw materials or related components to be used in projects including professional services, creative industries, IT or spa and wellness services.

Numerous target areas for investment

Saint Lucia's economy, tourism dependent as it is, means that investment opportunities in this area are both expected and numerous. There are several hotels under construction across the island and even a Courtyard by Marriott in Pointe Seraphine Cruise Port in Castries, Saint Lucia's capital city. "The beautiful thing about these hotels is that they are all targeted to open for business by the end of 2024," explains Charles. The hotels have become a necessity: "The airlines have said that if we have the room stock they will come, so we need to get room stock," he adds.

Saint Lucia is more than just tourism though. It has numerous other areas ripe for investment such as business process outsourcing (BPO) services which employ thousands of young Saint Lucians. Charles notes that "by virtue of our proximity to the US and the fact that the Saint Lucian accent is not very pronounced," many US states have reached out for BPO services. All persons can benefit: "we are now looking at

extending into rural communities to contribute towards employment."

In manufacturing, Invest Saint Lucia is promoting a business incubator, "a 30,000 square-foot building, for which we are seeking funding, seeking investors to retrofit" and make it appropriate for various types of compatible businesses to operate. It will be designed for micro-SMEs "who do not have a physical space to work. If we have everybody in one space, sharing the same services, with accounting services and security services, it is going to be very beneficial to us." The CEO also cites agri-business as an area of investment, explaining that "Saint Lucia is noted for many fruits, which are all seasonal and bloom in abundance. We're looking at agro-processing areas for getting involved, both in meat processing, livestock, as well as fruits."

OCTAVIAN CHARLES
CEO, INVEST SAINT LUCIA

"When a foreign investor chooses Saint Lucia, you invest in the people of Saint Lucia. We will work with you in any way possible to facilitate you and make it a reality."

Happily, the environment is not lost in the wish for further developments. No construction can go ahead without the completion of an environmental impact assessment and clearance from the Development Control Authority, explains Charles. "Sometimes it can be a long process," he admits, "but it's worth it in the end," since the pristine environment is what draws thousands of visitors every year to the island.

Saint Lucia Citizen by Investment

Saint Lucia is one of several countries which promote citizenship as a way to attract investment. By making a one off donation in one of several options, Saint Lucia can grant citizenship and, by extension, a passport which allows the holder visa free or visa-on-arrival to 140 countries including the UK, the Schengen Area, Hong Kong and Singapore. The country also recognizes dual citizenship, allowing for the investor to keep his or her original nationality. Residency in Saint Lucia is not required at any stage during the investment process, the country does not impose capital gains tax and has favorable personal and corporate tax regimes with no tax on worldwide income for non-residents. The application can even be completed fully remotely.

The investment requirements are one of: a

\$100,000 investment into the country's National Economic Fund, a \$200,000 investment into a government approved real estate project, such as luxury resorts, hotels, or villas; a \$300,000 minimum investment of government bonds for a five year period; or an investment in a government-approved enterprise project in specified industries such as tourism, agro-processing and others. During the fiscal year 2023, the program contributed just over \$16.5 million with the biggest destination for investments real estate. The government predicts that for 2024/25 the revenue raised will be around \$27.8 million. Henley and Partners, a citizenship application broker, ranked Saint Lucia's program in joint third place alongside fellow Caribbean islands Antigua and Barbuda and Grenada. The London-based firm noted that Saint Lucia's program appeals to entrepreneurs with its fiscal incentives and multiple investment options.

With several other Caribbean islands offering similar plans, some of them have come together and agreed to harmonize the programs so that the region can avoid price wars. Leaders from Antigua and Barbuda, Dominica, Grenada and Saint Kitts & Nevis announced in March they would raise the minimum investment threshold of their respective citizenship by investment programs to \$200,000, effective June 30th, 2024. Saint Lucia did not sign the document at first, but eventually revealed it would do so in June, noting it was also implementing several other changes including imposing an annual quota on approvals, sharing rejection cases with other islands and banning Russian and Belarusian applicants.

The program has been nothing short of a success for Saint Lucia. Four other hotels in addition to the Marriott are under construction, Each of



Octavian Charles
CEO, Invest Saint Lucia

these projects create jobs for local people during their build and long afterwards through suppliers and management to keep them running. The government's 2024 budget included legislation to attract and facilitate mega investment projects with some expected to get underway this year.

A foreign investor may have many options at his or her disposal, but a decision for Saint Lucia is a wise one. "We are a country where crime, especially crime against tourists, is almost at zero," points out Charles, adding "we probably stand hips and shoulders above some of our competitors, in terms of how we treat our people, how we view the product." Whether business or pleasure, Saint Lucia is the island to choose for your next move for a most rewarding experience in the beautiful Caribbean.

Investment agency shines

Tasked with throwing the spotlight on the many investment opportunities in a selection of sectors, government agency Invest Saint Lucia boasts expert and comprehensive knowledge of processes to set up a business as well as available incentives to foster growth and expansion in the economy.

Having recently attained the award for investment promotion for tourism from the International Trade Council, the forward-thinking entity is recognized as a regional leader in its field. According to Octavian Charles, CEO of Invest Saint Lucia, the island is a gem for investors seeking new horizons. With its picturesque landscapes, vibrant culture and strategic location, Saint Lucia is increasingly becoming a destination of choice for businesses looking to expand their operations.

At the forefront of this burgeoning landscape stands Invest Saint Lucia, the island nation's investment promotion agency. "We are the bridge between prospective investors and the wealth of opportunities that Saint Lucia has to offer," states Charles. "From lush agricultural ventures to tourism development projects, the agency is dedicated to facilitating investments that drive sustainable economic growth and benefit both investors and the local community."

Attractive investment incentives

One of the most compelling aspects of investing in Saint Lucia is the suite of attractive incentives

offered to businesses. These incentives are designed to create a conducive environment for investment and ensure that ventures in Saint Lucia thrive from the onset.

"We believe in creating and fostering an environment where businesses can flourish," adds Charles. "These incentives, coupled with Saint Lucia's stable political climate and strategic location within the Caribbean region, make it an ideal destination for investment."

Invest Saint Lucia adopts a successful, multipronged approach to its role as the country's leading business enabler, with its work generating sustainable investments for the transformative development of the economy through the provision of support to investors. This is particularly true of tourism-related companies seeking to establish a new business venture or expand existing operations. "We are not just facilitators of investment, we become partners for success," adds Charles. "As Saint Lucia continues to position itself as a hub for investment and innovation, Invest Saint Lucia remains devoted to unlocking the full potential of the island's economy, one investment at a time."



IMPORTANT FACTS AND FIGURES

A small and mountainous island of the southern Caribbean, Saint Lucia is famous for its tropical beaches, blue Caribbean sea, Carnival and exports of sea moss, cocoa and pepper sauce.

Saint Lucia offers 100% exemption from income taxes for 15 years for approved projects

Saint Lucia also offers 100% waiver of VAT on building materials for approved projects

Attractive citizenship program offers Saint Lucian passport for donation of \$200,000

Well connected to the US with flights from 8 different cities

Strong BPO sector; over 3,000 employed and potential to double in size

14

The British and French fought over Saint Lucia 14 times throughout history

1979

Independence from the UK. Its first Prime Minister was John Compton

2,618

Height of Gros Piton mountain in feet. Next to it is Petit Piton (2,438ft)

1,000

Number of new hotel rooms Saint Lucia will add by 2025