

East GB cruise port is 'cart before the horse'

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A WELL-known QC yesterday accused the Christie administration of "putting the cart before the horse" over the \$200 million agreement for Carnival Cruise Lines to develop a port in east Grand Bahama, arguing that the location was "perverse" given Freeport's economy is "near death".

Fred Smith QC, the Callenders & Co attorney and

QC: *Isolated location is 'perverse'*

Especially given that Freeport is 'near death'

partner, told Tribune Business: "I would certainly be opposed to such scale of development in east Grand Bahama, especially when Freeport's economy is on the verge of collapse.



FRED SMITH QC

"We already have a port and the infrastructure and the tourist facilities in Freeport to accommodate cruise ships. I call on the Prime Minister to be transparent and disclose the full details of this proposed agreement to the people of Freeport and the Bahamas.

"The problem with all these self-contained touristic developments and cruise port facilities is that they are divorced from the rest of the economy. Freeport's economy is near death right

now."

Prime Minister Perry Christie said on Monday that the Government has entered into an agreement with Carnival Cruise Lines for the establishment of a \$200 million port in east Grand Bahama.

"Once again the cart is being rolled out before the horse," Mr Smith said.

"Before the Government can commit to concessions and Crown Land, there must be Environmental Impact Assessments, con-

sultations with the public, consultations with the East End district council and with environmental NGOs.

"It's not that I am opposed to development in any part of the Bahamas; it's just that you can't keep doing the same thing that does not work. Freeport sustains the entire Grand Bahama economy, and creating a self-contained, isolated cruise port facility at East End is perverse given the state of Freeport's economy."

Sandals preserves Royal Bahamian's top heritage

SANDALS' chairman says its Royal Bahamian property feels like it did 20 years ago, having managed to combine modernisation with its heritage and surrounding environment.

Gordon 'Butch' Stewart praised his team of designers and engineers, and Bahamian talents, for maintaining the resort's essence.

"When your team can recognise the vision, the work to develop and maintain becomes that much easier. And our team at Sandals Royal Bahamian has certainly recognised this," he said.

"Even today walking around that property, it feels like it did in 1996 - natural and balanced."

The most significant renovations during the summer's \$4 million upgrade took place at the two main pool decks, the restaurants and bars. It also involved a review of the plumbing and air conditioning systems.

The Windsor Pool now features white concrete with plant imprints and conch shell strips. The pool's swim-up bar was outfitted with new floor and wall tiles, and new granite countertops, and a new plumbing system installed underneath the pool.

Similar enhancements and engineering tweaks were made to the Balmoral Pool at the other side of the resort, as well as the Hibiscus Pool and Hot Tub.

Other major revisions and upgrades include renovations to the property's air conditioning system, as well as the total revamping of the Italian Casanova Restaurant.

"Our food and beverage team is particularly pleased with the work here. They have been able to secure exceptional upgrades to the most frequently used facilities without losing a thing," said Sandals Royal Bahamian general manager, Gary Williams.



SANDALS ROYAL BAHAMIAN

PM urged: 'Put your foot down' on BOB woes

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seeing something shortly," he told Tribune Business.

"You should be seeing something shortly on all material matters related to the company shortly. We enforce our rules."

This implies that BISX, and possibly the Securities Commission as well, have been in talks with Bank of the Bahamas about both

the publication of its annual financial statements and the rights issue's outcome.

Both are material events that shareholders have a right to obtain full information on in a timely manner. While the financial statements enable investors to assess how their investment is performing, the rights issue is likely to have significantly diluted their stake in Bank of the Bahamas.

Given that few of the 35 per cent minority investors have elected to exercise their rights and subscribe for more shares, the Government shareholders - the National Insurance Board (NIB) and the Treasury - will likely have been forced to take up most of the \$40 million. This, in turn, will have raised the Government's equity stake in the bank to 80-90 per cent.

Bank of the Bahamas' executive chairman, Richard Demeritte, did not return Tribune Business calls seeking comment.

However, Mike Lightbourn, Coldwell Banker Lightbourn Realty's president, and one of Bank of the Bahamas' more vocal minority shareholders, argued that the institution was not "held to the same standard" as other banks and public companies because it was government owned.

He called on Prime Minister Perry Christie, who has ultimate responsibility for Bank of the Bahamas as minister of finance, to "put his foot down" and insist that it follow typical public company disclosure processes.

"I'm not surprised," Mr Lightbourn told Tribune Business about the lack of disclosure. "They have no clue what they're doing, and the Government seems to be allowing them to get away with it.

"They're not held to the same standard as a regular bank, and do what they want; nobody seems to care. What I'm concerned with is the Central Bank. They seem to be totally ignoring it. They're supposed to be independent of government, but since it's a government bank....."

Mr Lightbourn said Bank of the Bahamas seemed to be ignoring its minority shareholders, and added: "Isn't Perry Christie, as Minister of Finance, responsible for this?"

"Isn't that where this falls? He himself should put his foot down and insist the bank follow the proper procedures. Based on his track record, I'm not surprised at the lack of follow up."

Describing the situation as "a disgrace", Mr Lightbourn told Tribune Busi-

ness: "I don't know of any other bank, any other publicly traded company, in any part of the world, where they are supposed to be accountable for their actions, to get away with this."

Shareholders have some idea of what to expect for the year to end-June 2016 given that Bank of the Bahamas produced unaudited financials, showing it suffered another \$24 million loss, in the documents accompanying the \$40 million rights issue.

The prospectus for the rights offering, which aimed to recapitalise the bank and end non-compliance with the Central Bank of the Bahamas' regulatory requirements, indicated that little progress has been made in stemming the financial bleeding.

Unaudited figures for the 12 months to end-June 2016 showed that net losses at Bank of the Bahamas declined by 21.2 per cent year-over-year, falling from \$30.397 million to \$23.951 million.

The main reason for the near-\$6.5 million improvement was a 37 per cent rise in the bank's total operating income, which increased from \$6.785 million in 2015 to \$9.289 million.

This, in turn, was driven by a \$1.6 million jump in net fee and commission income to \$5.23 million. However, Bank of the Bahamas continues to be weighed down by the poor quality of a large segment of its loan portfolio.

Loan loss provisions associated with 'bad loans' remained relatively flat year-over-year at \$24.5 million, down slightly from \$26.124 million the year before, indicating that more troubled credit needs to be removed from Bank of the Bahamas' balance sheet if it is to properly recover.

The BISX-listed institution's balance sheet for end-June 2016 again showed that it would be insolvent, with liabilities exceeding assets, were it not for the \$100 million worth of bonds injected into it as part of the October 2014 'bail out'.

And, with the bank having suffered a collective \$120.682 million net loss over the past three years, the \$54.622 million retained earnings 'write back' produced by the 'bail out' has been eliminated by a \$59.549 million accumulated deficit.

Bank of the Bahamas' net equity also slid, dropping by almost one-third to close June 2016 at \$63.545 million, down from \$90.786

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NOTICE

The public is advised that on the historic occasion of the University of The Bahamas Charter Day, the academic community will assemble at the Oakes Field Campus at 9:00 a.m. on Thursday, November 10th, 2016 for the plaque unveiling and will march in procession to the Thomas A. Robinson National Stadium where the Charter Day Ceremony and Inauguration of the President will commence at 10:30 a.m.

All College of The Bahamas campuses **WILL BE CLOSED** and classes will be suspended on **Thursday, November 10th, 2016**. This includes the Oakes Field, Grosvenor Close and Northern Bahamas Campuses and the Gerace Research Centre. **Operations and classes will resume on Friday, November 11th, 2016.**

We invite the public to join us at the Thomas A. Robinson Stadium for this momentous occasion including former faculty, staff and administrators, parents of students, donors, friends, and alumni of the College. This includes graduates of The Bahamas Teachers' College, San Salvador Teachers' College, C. R. Walker Technical College, the sixth form programme of The Government High School and the Bahamas Tourism Training Centre.

NOTICE

In the Estate of Sheena Lavette McPhee-Hall aka Shenna Lavette McPhee-Hall late of Blueberry Hill in the Eastern District of the Island of New Providence, The Bahamas, deceased

NOTICE is hereby given that all persons having any claim or demand against the above-named Estate are required to send the same to the undersigned on or before the 30th day of November, A.D. 2016 and if so required by notice in writing from the undersigned to come in and prove such demand or claim or in default thereof be excluded from the benefit of any distribution made before such debts are proved.

AND NOTICE is hereby given that all persons indebted to the said Estate are requested to settle their respective debts at the chambers of the undersigned on or before the date hereinbefore mentioned.

Dated the 7th day of November, A.D. 2016

MANGRA & CO.

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