

# Bill opens FDI projects to Bahamas contractors

By NATARIO MCKENZIE  
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THE Construction Contractors Bill paves the way for Bahamians to participate in foreign direct investment (FDI) projects "to a much greater extent than before", a former Bahamian Contractors Association (BCA) president said yesterday.

Stephen Wrinkle told Tribune Business: "The Contractors Association has worked assiduously for many years, and through many administrations, trying to get it to this point.

"It's very reassuring to see the interest and the time allotted to it by the Deputy Prime Minister to bring it to the table for discussion and, hopefully, for passage.

"In light of the recent events with Hurricane Matthew, I think it is probably more important than ever

*Paves way to gain bonds, insurance*

*Locals previously excluded on these grounds*

that, as we begin our rebuild, that we put some conformity within the industry so that the consumers and contractors will have confidence that things are being built properly, in accordance with the code, with best practices and that people who are actually certified are carrying out the work."

Mr Wrinkle continued: "One of the problems is that there has traditionally been no certification; no licensing within the industry, and it makes it extremely difficult for people to have confidence and security in a contractor when they un-



STEPHEN WRINKLE

dertake the work. This legislation will seek to license, regulate and control the construction industry."

Mr Wrinkle added that the legislation will give foreign investors a starting point when hiring Bahamian contractors for work. "It will also enable Bahamian contractors to move toward bonding with international bonding companies that

will recognise the Bahamian contractor's license," he added.

"This will open many doors for Bahamian contractors, who are continually getting shut out of these projects because they do not have the qualifications to meet the requirements for insurance and bonding.

"It opens up the path for Bahamian participation in FDI projects to a much greater extent than we have enjoyed. It also opens up the very real possibility of bona fide joint ventures with these international construction firms. That's a crucial aspect that is not normally talked about."

Deputy Prime Minister Philip Davis opened the debate on the Construction Contractors Bill in Parliament on Monday, outlining some of the key clauses and provisions that he said would bring about comprehensive reform.



K PETER TURNQUEST

## \$200m GB cruise port beneficial if 'balanced'

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EAST Grand Bahama's MP said yesterday that the \$200 million Carnival cruise port for his constituency will boost the economy, provided the deal is balanced and Bahamians are the net beneficiaries.

K P Turnquest, who is also the Free National Movement's (FNM) deputy leader and Finance spokesman, said: "The idea of a cruise port is a good idea if the deal is balanced and Bahamians are net beneficiaries.

"By that I mean that Bahamians, east GB residents in particular, are provided tangible and profitable entrepreneurial and employment opportunities from on shore activities and in construction."

Mr Turnquest was commenting after Prime Minister Perry Christie said his administration had approved the agreement with Carnival Cruise Lines for east Grand Bahama's \$200 million cruise port.

While speaking in the House of Assembly on Monday, Mr Christie said: "The Government took particular pains to lift the policy of the Bahamas and institutionalise it in the agreement. That will enable Grand Bahamians to access

the privileges that that development will give them; that is, water sports.

"Those that are reserved privileges for Bahamians have been lifted up, identified, and Bahamians who live in Grand Bahama will be incentivised to take advantage of the firm policy decisions that we have made to protect the best interests of Bahamians and promote the best interests of the Bahamas."

Mr Turnquest told Tribune Business: "The construction activity and opportunities from eco tours, bone and deep sea fishing, water sports, and adventure activities would create economic expansion and spur residential and commercial development that would create and sustain the east end communities, and could offset any losses at the Harbour and Port Lucaya Marketplace."

He continued: "The key to this proposal being a net benefit to the island of GB is in the details of the on-shore structure.

"A port like the one in Grand Turk would be of limited value to the overall sustained economic development of the island, as it would be self-contained and activities controlled by the cruise line, with only limited empowerment opportunities and benefits to the nearby communities."

## Govt denies Allen was its 'agent' in LOI controversy

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respectively, as key to the project's approval.

"The fourth and fifth defendants used certain expressions like: 'We hold the keys to the kingdom,'" Stellar's 'statement of claim' alleged of Messrs Allen and Forbes.

It described them as "two of the private individuals who claimed to be representatives of the Bahamas government, and/or agents acting for and on behalf of the Bahamas Government".

Mr Allen, too, in a recent interview with Tribune Business dismissed Stellar's claims against himself and his law firm, although he declined to go into specifics. He added that he had instructed an attorney to represent him in the matter, who Tribune Business understands is former minister of state for legal affairs, Damian Gomez QC.

Elsewhere, the Government made Mr Wells, the former parliamentary secretary in the Ministry of Works, the scapegoat for the LOI controversy by accusing him of signing the document "ultra vires" or illegally.

"The second and third defendants [Ministry of Works and the Attorney General] will say that [Mr Wells] had no authority, nor was he authorised by the Government of the Bahamas, to execute the purported LOI, dated July 4, 2014, for and on behalf of the Ministry of Works and Urban Development," the Government's defence said.

"Further, the second and third defendants will contend that any approval relative to the waste-to-energy plant was subject to final Cabinet approval, which is a policy decision."

The Government also reiterated its position that Stellar's LOI was non-binding, and that it had never agreed to the terms and conditions it set out.

As for the group's claim that the LOI had been "breached or frustrated", and that neither party had consented to its termina-

tion, the Government alleged that the document "was repudiated at earliest July 14, 2014, when the Deputy Prime Minister and Minister of Works publicly rejected the purported LOI and denied that [Mr Wells] was given authority to execute it".

The Government alleged that Stellar knew within 10 days that it would not honour the LOI, and that it further rammed home this point in a March 10, 2015, letter sent to its chief executive, Dr Fabrizio Zanaboni.

The letter, signed by Ministry of Works permanent secretary, Colin Higgs, said the ministry was "not the primary government agency to consider any waste-to-energy proposals that proposed to utilise waste from landfill sites in the Bahamas.

"Further, the operation and management of landfill sites falls within the portfolio of the Ministry of the Environment and Housing, and Stellar may wish to pursue their project with that Ministry in the first instance."

Given that Stellar filed its legal action some 17 months after that letter was dispatched, the Government is arguing that the action is time-barred, given that legal claims against public officials executing their duties have to be filed within 12 months of the actions complained of.

Mr Higgs, in an affidavit filed with the Supreme Court yesterday, emphasised how little authority Mr Wells had at the Ministry of Works during his two-year tenure.

"Mr Wells was assigned oversight of the maintenance of roadside verges, public parks and the Urban Renewal Small Homes Repair programme," Mr Higgs alleged.

"He was not authorised to give directions to the permanent secretary, and he was not authorised to enter into any agreement on behalf of the Ministry of Works and Urban Development or the Deputy Prime

Minister."

Mr Higgs said the National Energy Task Force, which Mr Wells co-chaired, reviewed 11 waste-to-energy proposals and short-listed two, neither of which was Stellar.

"To the best of my information, knowledge and belief, the recommendations emanating from the Task Force's report were not pursued or acted upon," the permanent secretary added.

Mr Higgs alleged that the first he knew of the Stellar LOI was from the media on July 11, 2014, a week after its signing. He was then presented with an unsigned copy by Mr Davis on July 21.

Mr Higgs said the Deputy Prime Minister "never executed or considered" either of the two LOI versions, the first of which was dated June 30, 2014, and had his name affixed to it.

Nor did Mr Davis instruct Mr Wells to sign the July 4 version, Mr Higgs alleged, and no Cabinet paper was prepared on whether Stellar should be considered for National Economic Council (NEC) approval.

Apart from arguing that Stellar's claim is time-barred, the Government is also seeking to have it struck out by the Supreme Court. And it is arguing that the \$727.364 million default judgment in the group's favour was entered "irregularly", and should be overturned.

Stellar is seeking dam-

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APD LIMITED ("the Company")

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Pursuant to the Securities Industry Act, 2011, the Companies Act CH 308 and BISX Rules, the Company wishes to notify its shareholders and the Public that the Audited Financial Statements for the year ended June 30, 2016, are available on the Company's website at [www.nassaucontainerport.com](http://www.nassaucontainerport.com).

Shareholders may also collect copies of the Audited Financial Statements from the offices of Bahamas Central Securities Depository Limited (BCSD) at 2<sup>nd</sup> Floor, Fort Nassau Centre, British Colonial Hilton, Suite No. 202, Nassau, The Bahamas.

The Chairman  
APD Limited  
Arawak Cay  
Nassau, The Bahamas



DATE: Monday November 14th, 2016  
TIME: 12 noon  
VENUE: Breezes Hotel, Ocean View Suite  
COST: \$10 Members; \$20 Non-members

Lunch will be served. Kindly RSVP by Thursday November 10th, 2016 to [info@thebahamas.cfasociety.org](mailto:info@thebahamas.cfasociety.org)

SPEAKER: Thomas W. Mucha

### A Structural Shift In Geopolitics

Thomas W. Mucha, Vice President and Global Macroanalysis Advisor—Wellington Management. As a global macroanalysis advisor, Thomas W. Mucha works with the Macroanalysis team on internal and external communication efforts, with particular emphasis on connecting our macro insights to actionable investment ideas in client portfolios. He also complements the team's work through thematic research projects, both in collaboration with analysts and on his own.

Prior to joining Wellington Management in 2015, Thomas had a successful career in journalism as a writer, producer, and editor focused on global business and economics. He joined Wellington Management from GlobalPost, where he oversaw editorial operations and wrote a column on global business and economics, as well as its Macro blog on the global economy (2008 – 2015). Prior to GlobalPost, Thomas worked as a writer, producer, and editor for CNN and CNN International in New York and London (1991 – 1998), where he covered Wall Street and the US and global economies, including emerging markets. He also worked in similar roles at Time Inc.'s Business 2.0 Magazine (2001 – 2005), and Crain's Chicago Business (2005 – 2008).

Thomas earned his Master of Arts degree in international relations and economics from the University of Chicago (2002) and his BA in English from Michigan State University (1991).