

# The way forward



newsletter of the Providenciales Chamber of Commerce

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## revitalizing the construction industry

The December 2010 meeting of the Providenciales Chamber of Commerce (PCC) focused on the challenges and opportunities involved in revitalizing and redefining TCI's once booming construction industry. The panel included Beryn Duncanson, local attorney and managing director of Flamingo Crossing Ltd., Simon Wood, president/CEO of Simon Wood Associates architectural firm and John Smith, CEO of the Turks & Caicos Islands Airport Authority.

Local lawyer-turned-developer Beryn Duncanson is the driving force behind the successful \$30 million Flamingo Crossing Homes/Carib Club Condominiums residential development in the Long Bay/Leeward area. It comprises 12 acres of private homes and condominiums overlooking Flamingo Lake and the Provo Golf & Country Club, with Phase 2 recently completed. In his presentation, Duncanson noted the need for local businesspeople to be flexible and innovative in a difficult economy. So with construction moving forward over the last two years and sales lagging behind, he adapted an idea long popular in the US and was the first to introduce to TCI rent-to-own contracts, a lure for cash-strapped buyers. Working with Royal Bank of Canada, Carib Club buyers can apply every dollar spent over a two year lease towards purchase of the property; at the end of the lease they will have accrued the 10% equity down-payment basically interest free.

Although he relies heavily on Project Manager Paul Matthews to supervise construction, Duncanson quipped, "I know more about construction than any lawyer should," noting that in a tight economy, being well-rounded and versatile can also be the difference between making a profit or loss.

Architect Simon Wood has been living and working in the TCI for over 20 years, intimately involved with a great deal of local development. He presented part of a speech recently prepared for the National Conversation, focusing on the definition and implementation of "balanced development." He started by noting, "Not all physical development is positive, and frequently it comes at a

great cost to social and environmental baselines. In order to ensure optimum results, it is imperative that the social, economic and spiritual needs of the people are carefully considered along with development, each with as much weight as the other."

He went on to describe realistic goals of balanced progression to be: good, lasting jobs that provide a living wage for all; capital for the construction of physical and social infrastructures; ongoing revenue for the maintenance and management of the infrastructures and mitigation and management of the negative consequences of development, including environmental degradation, crime and excessive immigration. *Unrealistic* goals include excessive wealth for everyone, high level job/career expectations without appropriate education or training and unlimited economic growth without significant consequences.

Wood stated that growth in the TCI economy over the past 30 years, and in particular, the economic boom of the last decade, has been almost entirely driven by development, with tourist arrivals (not including cruise ship visitors) showing only a modest, but steady, increase. In fact, he understands that in the last 10 years, 70-80% of government revenue has been directly related to the construction industry. He explained that, as development rapidly grew, so did the population. More people were needed to service the demand for construction, leading to a need for more infrastructure, schools and classrooms, roads and hospitals. More people also put more strain on the system, leading to more crime and more degradation of the environment, which in turn led to the need for greater government and more spending. In 2007, when the financial crisis started in the US and investors stopped speculating on development projects, it all started crumbling.

With the following collapse in ongoing construction projects in 2009, the TCI Government's revenue stream dried up almost overnight and what we are now left with are all the negative consequences of rapid development without the funding and resources to cope with or man-

age them. Wood noted that rapid and hasty development that moves ahead of social and physical infrastructure progression is ultimately detrimental to the lasting health of a nation.

The answer? We cannot continue with “business as usual.” Instead, the TCI economy needs to change from a “development based” to a predominantly “service and maintenance based” economy. Jobs for the future could include management, maintenance, tourism, eco-tourism, environmental monitoring, and service sector and financial industry positions, along with aquaculture and creative agriculture.

But, Wood says, he is not suggesting that development should cease. Because our work force is already geared up for construction the first thing we need to do is stimulate some development to give the economy a “shot in the arm.” Once the economy is moving again, we can focus on the new future.

He added, “To get the ball rolling, we need to attract investors to the country . . . the right kind of investors.” They are people who are not only financially invested, but physically and morally invested in the nation and its people. Wood believes that TCI can attract such investors by having a well-considered, financially feasible and realistically designed “business” plan. He proposed that this plan reaches high, with long term goals based on socially, economically and environmentally sustainable practices.

Key to the plan, Wood believes, is that it aims to make the country environmentally clean with close-to-zero carbon and pollution emissions. Utilizing sun and wind energy, we can power the vast majority of homes and businesses and drive electric cars and trucks. This alone, he says, would be certain to attract worldwide exposure, recognition and praise, which in turn will draw the right kind of investors. The plan would also include what, where, how and when we develop, all the while ensuring that population growth is kept in check and that social services and infrastructure development can keep pace.

Wood encouraged all local businesspeople to become involved in the National Conversation, a non-political forum where all voices can be heard to enable TCI to start the process towards a “balanced progression” into the future.

Wood also stated that in the last six months he has noted a steady increase in new inquiries and new projects coming in, and is looking forward to a very positive 2011,

with work in the construction industry expected to follow about one year behind.

In his presentation, John Smith summarized the effect the \$70 million airport redevelopment/expansion project has on the country as a whole and the construction industry, in particular. “By facilitating and increasing the number of people coming to our shores, we not only have a wider base of individuals from which potential investors may come, but it also sends a positive signal to the international community and encourages investor confidence.” He noted that although TCI is a Caribbean destination in high demand, we can’t become complacent, but instead must create a competitive environment for existing carriers and bring in new carriers.

Smith explained that Phase 1 of the project, which involves expanding the existing runway to accommodate overseas flights and is expected to be finished in July, helped keep a significant number of local businesses and persons in the construction industry engaged, who would otherwise be unemployed or underemployed. With the initial contract with Dexter Construction specifying a minimum of 70% local involvement, the figure actually approaches 94–96%. He adds, “We are doing whatever we can to protect local industry. We did not want to bring in a company that would leave equipment or personnel behind that would affect the local market, so there were lots of checks and balances in place. The project also provided TCIG with a much-needed revenue stream to help balance the budget.”

The mid-February arrival of an additional 16 flights per week via new carriers JetBlue and Continental is anticipated to bring at least 88,000 new visitors to TCI annually, as well as offer access to a range of new markets. Smith also confirmed that TCIAA is conducting talks with at least two European carriers, with plans to focus on the long-term European market. Chamber members applauded this move, noting that Europeans typically take longer holidays, especially during the summer months.

Finally, Philip Robinson commented that he thought it necessary to reorganize the Contractor’s Association, as many people were applying for licenses who were not necessarily qualified. Kyle Been added that it was important to have an organization for persons in the building industry that regulated itself; John Smith thought certification by this entity would enable skilled laborers to obtain better pay. ❁

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## about the chamber

The Providenciales Chamber of Commerce (PCC) began over 30 years ago out of a desire by the Providenciales business community to organize in a manner that would promote and enhance a strong and viable economic climate. The organization has steadily grown and many of its Executive members have gone on to higher pursuits in the Turks & Caicos Islands and abroad.

PCC is the lead advocate for Turks & Caicos businesses, who, during 2010, were drastically affected by international economic events and local government challenges, underscoring the need for unity in the business community. Concurrently, PCC encourages, promotes and celebrates innovative and passionate business leaders who adhere to high ethical standards. One such example is the Businessperson of the Year Award, with the 2011 nominations to begin shortly. The Chamber also holds Business After Hours networking functions for members.

PCC seeks to build strong ties with local, regional and international bodies to benefit its members. Chamber President Tanya Lightbourne was part of a TCI delegation that attended the 5th Caribbean Conference on Comprehensive Disaster Management in Jamaica from December 6-10, 2010. This conference was co-hosted by the Office for Disaster Preparedness and Emergency Management in Jamaica in partnership with the Caribbean

Disaster Emergency Management Agency (CDEMA). The theme was "CDM: Strengthening Partnerships for Resilience." Lightbourne also attended a professional development session training session on Business Continuity Management. (The Caribbean Development Bank sponsored the attendance of 36 business owners and Programme Officers in the public sector. These persons were drawn from the 18 CDEMA Participating States). As a result, PCC will offer support to assist small and medium business enterprises with implementing their own Business Continuity Plans.

The Chamber seeks constant dialogue with the TCI Government to ensure that those in charge consider the impact of government policies and decisions on business. The Chamber also maintains a close relationship with members of the Royal Turks & Caicos Police Force.

**Executive Board:** Tanya Lightbourne-Parnell – President, Lester Forman – Vice President, Cheryl Shand – Secretary, Wendy Hill – Treasurer. **Advisory Council:** Ron Shaw, John Hartley, Tina Fenimore (Past President), Allan Hutchinson (Past Vice President).

To receive meeting notices send contact details to [provochamber@gmail.com](mailto:provochamber@gmail.com). ☼

*Tanya Lightbourne-Parnell – President*

**Meetings held the first Monday of each month  
7 PM at The Sands Resort, Grace Bay Road**