

Antigua and Barbuda Investment Authority

- ADDRESS OF THE EXECUTIVE DIRECTOR
- TO
- NATIONAL ECONOMIC SYMPOSIUM
- JULY 16, 2008
- FACILITATING INVESTMENT IN ANTIGUA AND BARBUDA

Rationale for Facilitating Investment

- Goal of Economic Growth
- Role of investment
- Two economic mobilization issues:
 - Essential features/conditions to facilitate investment
 - Building response and delivery mechanisms

Essential Features

- Good governance
- Sound legal framework
- Key development resources
- Image – performance branding

Good Governance

- Sound political and administrative systems
- Policy and regulatory principles
- Understanding investor's needs
- Defined strategic and operation plan

Sound Legal Framework

- Provides assurance of the right operating climate
 - Legal issues on business law governing trade and commerce – affect perception and country image.
 - Policy and positive attitude in connection business operation within the jurisdiction

Sound Legal Framework (cont)

- Contract law and Consumer law
- Unfair trade practice
- Company and bankruptcy law
- Law of business combination and joint venture
- Banking law
- Labour Code and Trade Union
- International disputes settlement
- Intellectual property and technology transfer

Sound Legal Framework (cont)

- Patent for ICT and high tech industry
- Technology transfer law for manufacturing
- Trade secret for ICT and service industry
- Industrial design
- Trade mark for consumer goods
- Copyright for ICT and service industry
- Place of origin in FI law, patent law . . .
- Joint venture; international contract law

Key Development Resources – Hard Infrastructure

- Utilities, roads and transportation system
- Ports (aerodromes/maritime docks)
- Buildings and supporting facilities for handling, storage and movement of goods and services

Key Development Resources – Soft Infrastructure

- Available and right kind of skills and competencies
- Availability of support services institutions
- Legal, engineering, corporate, accounting services
- HR training and development
- Labour conditions and standards to motivate workers and promote productivity

Key Development Resources – Soft Infrastructure cont.

- Information – trade statistics; demographics data; productivity data

IMAGE – Performance Branding

- Build reputation for high quality user-friendly service
- Improve perception of jurisdiction
 - Perception determined by:
 - Level of governance, legal framework, operating climate, key development resources
 - Corporate culture and behavior within jurisdiction
 - Attitude and work ethic

Investment Requirements

- FDI is important to the developmental plans of most countries
- Investment promotion provides an important mechanism for communicating jurisdictional advantages
- Competition for FDI is intense
- Investors locate where they can maximize profitability

Our single biggest challenge is to convince the investor that barriers, where they exist, are under control.

Investment Requirements (cont.)

- Critical factors considered by investors
 - Predictable and non-discriminatory regulatory environment
 - Absence of undue administrative impediments to business
 - Stable macroeconomic environment
 - Relevant infrastructure and human capital

Factors influencing location and investment decisions

- Host country market size as measured by GDP
- Expected growth in market size
- Ability to repatriate capital and remit profits
- Productivity level and work habits of workers
- Presence of specialized infrastructure

ABIA Competitiveness Review and Benchmarking Study

- Antigua and Barbuda:
 - recorded one of the highest rate of economic growth over a 30 year period (3.9%)
 - offers a high quality of life – 59th on UN HDI
 - ranked 4th in terms of gross investment in the economy
 - rated as a highly open economy

ABIA Competitiveness Review and Benchmarking Study (cont.)

- ranked fifth (5th) lowest for rate of price increases
- third (3rd) cheapest of the eight (8) OECS countries (Aug. 2007)

Deterrents to Investment

- Compounded tax rate
- Bureaucracy relative to government procedures impacting business' operations
- Cost of doing business
- Knowledge infrastructure
- Lack of a land use policy and plan

Deterrents to Investment (cont.)

- Cost of credit
- Double taxation
- Absence of statistical data

Building an Investment Climate and Country Image

- ABIA is required to
 - Foster an environment of investment and business development
 - Build productive capacity
 - Promote and encourage a supportive investment climate
 - Create a level playing field for all investors

LOCAL BUSINESS DEVELOPMENT PROGRAMME

- GOAB created the Small Business Development Act (2007)
- Act provides a regulatory framework to facilitate growth of small business sector
- It allows for the granting of credit through a loan guarantee scheme
- Provides incentives and technical assistance to support business operations
- Encourages development of local entrepreneurial skills and expansion of business capacity.

ABIA General Orientation and Outlook

- Co-ordinate and implement a programme of investment reform
- Build investor confidence
- Seek to increase awareness and generate interest in Antigua & Barbuda as a location for new investors
- Collaborate with ministries and other local agencies on image building and investor services.
- Identify impediments to investment
- Maintain a high level of aftercare service
- Forge close collaboration and co-operation with other OECS members.

Operational Developments and Accomplishments

FACILITATION SERVICES

- Received 170 project applications
- Submitted 138 for Board consideration and recommendation
- 126 recommended by Board and approved by the Minister
- 12 project proposals rejected

APPROVED APPLICATIONS BY SECTOR

SECTOR	No.	Investment Value (EC\$ 000s)	Concession Value (EC\$ 000's)	%	No. Jobs
Tourism	9	593,916	67,366	11	1044
Public Transportation	35	3,508	924	26	21
Agriculture	14	884	213	24	2
Construction	4	15,721	3,063	19	23
Health	4	15,864	5,273	33	29
Education	4	2,159	443	21	29
General Services	29	55,355	10,798	20	316
Information Services	1	7,094	2,254	32	8
Trucking	8	1,985	298	15	22
Energy	1	555	48	9	4
Manufacturing	8	33,131	2,043	6	127
Prop. Dev. & Mgmt.	9	256,558	913	4	131

APPROVED APPLICATIONS BY SECTOR (CONT.)

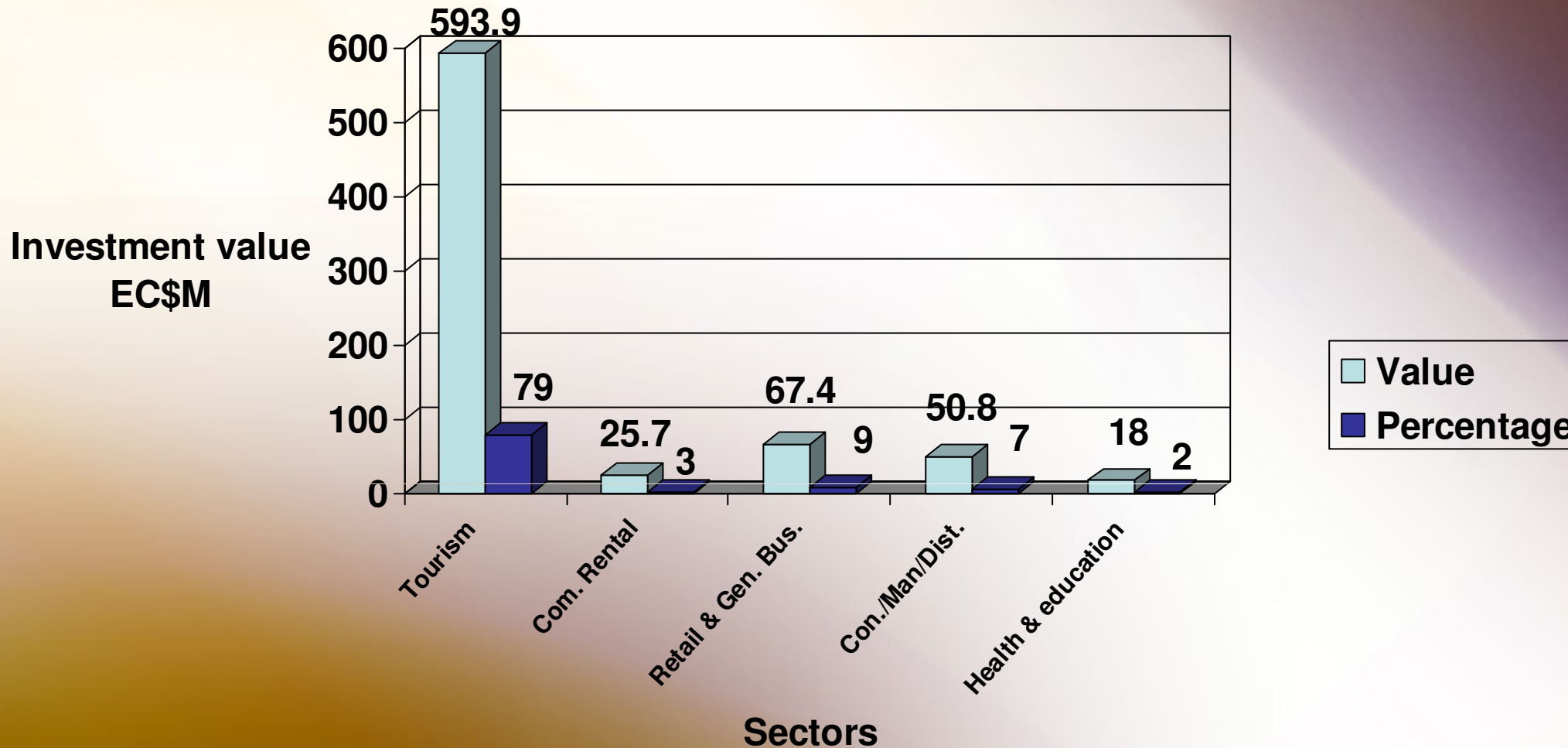
SECTOR	NO.	Investment Value (EC\$ 000's)	Concession Value (EC\$ 000's)	%	No. Jobs
Foreign	9	599,985	65,563	11	1,108
Local	117	155,842	28,073	18	648

SECTORAL DISTRIBUTION

Sector	Investment Value (EC\$M)	Percentage
Tourism	593.9	79
Commercial Rental	25.7	3
Retail & General Business Services	67.4	9
Construction, manufacturing & distribution	50.8	7
Health and Education	18.0	2

SECTORAL DISTRIBUTION

Capital Investment Projects Approved



– Small Business Development

- Enterprise Development Department (EDD) continues to be actively involved in co-ordinating development of programmes.
 - Compilation of Local Business Directory
 - Travel mission to Barbuda
 - Management of factory shells at Coolidge Ind. Park
 - Design of programmes to address entrepreneurial needs
 - Hosted two (2) sessions “How to Access Financing”
 - Total of 87 participants

Development of Medical Transcription Industry

- Launch of Medical Transcription industry in June 2008
- Partnership with GOAB, BOE and ABIIT
- Train 300 certified MTs over a 3 year period
- MTs will move directly into jobs
- Production companies will be set up by local entrepreneurs
- Informational sessions to be held August 18th and 19th
- Training begins in October 2008

Thank you for your
attention.