



2016/2017 BUDGET CONTRIBUTION

BY

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CONSTITUENCY

AND

MINISTER OF FINANCIAL SERVICES & LOCAL
GOVERNMENT

HOUSE OF ASSEMBLY

Mr. Speaker,

It is indeed my privilege to rise once again in this Honourable House to provide my contribution to this 2016/2017 Budget Debate as the representative for the wonderful people of the great Constituency of Sea Breeze.

MINISTRY OF FINANCIAL SERVICES, HEAD 49

The responsibilities I am charged with under this Ministry include: the promotion of the Financial Services Sector, International Trade, the Industries Encouragement Act, the Bahamas Bureau of Standards and Quality and the establishment of an International Commercial Arbitration Centre in The Bahamas.

In order to achieve this mandate during the 2016/2017 fiscal year, the Ministry received an allocation of \$2,597,300.

Financial Services

Mr. Speaker,

Financial Services, the second pillar of our economy, second only to tourism and accounts for more than 15% of the GDP of The Bahamas and more than 20,000 jobs directly and indirectly, representing more than 13% of total employment. The job opportunities in the financial services sector support the middle-class in The Bahamas which are among the highest paid and rewarded jobs available and which also invests

heavily in intensive training of its employees, increasing their intellectual capital and indeed the human resource capital of The Bahamas.

Moreover Mr. Speaker, the financial services industry generates substantial government revenues of approximately \$200 million and 19% of the tax base according to latest publicly available figures, and I would envisage that these figures will increase tremendously as we advance to automate the various government departments to increase efficiency and facilitate the ease of doing business in The Bahamas. The financial services sector contributes to the Bahamian economy as a whole, by providing access to global capital markets and facilitating investment opportunities that would not otherwise be attainable, and which encourage entrepreneurial activities that foster economic growth. Activities associated with the financial services sector also bring high-end customers and high-end investment to the tourism industry, real estate industry, as well as, the use of legal, accounting, communication and transportation services in The Bahamas. It is clear that we must invest more in aiding the growth and sustainability of this industry as a major economic contributor to our country.

Many key financial centres of the world, including London, New York, and Singapore, have conducted strategic reviews to identify initiatives aimed at remaining competitive and ahead of the game. We believe a similar effort to define a holistic strategy is critical for The Bahamas to maintain and preserve its status as one of the most important international financial centres in the region. This strategy should leverage on current strengths, take advantage of the natural opportunities facing The Bahamas and build upon the value added proposition that currently exists.

The overall strategy for The Bahamas' financial services comprises four components: vision, current advantages and opportunities, enablers and historical value. These are the building blocks from which to further our development. In this vein, my Ministry

is working with other relevant Governmental Departments, Industry Private Sector Participants, Financial Services Regulators, The Bahamas Financial Services Board and other relevant stakeholders to chart a course that will continue to promote and develop Financial Services in the Bahamas. We have begun to further define what Financial Services is to our country in order to sustain its continued development as a major economic benefactor to our citizens.

THE VISION

First, Mr. Speaker – Our message continues to be that we are a Trustworthy, Competent and Compliant jurisdiction. And, while The Bahamas' current position and strengths are widely recognized, its position as a premier international financial centre in the future is not entirely secured. Our aim is to become the preeminent international financial center in the region.

ADVANTAGES AND OPPORTUNITIES

Mr. Speaker,

Over the past year, my Ministry has been analyzing the international competitive landscape to identify and develop initiatives to strengthen the local financial services community and to assist our efforts in establishing and creating The Bahamas brand as being a full international financial services center.

This year we have once again engaged in a partnership with the Society of Trust and Estate Practitioners otherwise known as STEP to sponsor some of the conferences, particularly STEP Caribbean (St. Lucia) which was held in May, STEP Global Congress which will be held at the end of this month in Amsterdam, STEP LatAm (Sao Paulo, Panama), STEP Asia (Hong Kong), and adding new ones to the mix, trusting that this will translate into viable business opportunities for the sector. We are also going back to what has worked in the past with more targeted summits on Bahamas Financial Services to be held in New York, Switzerland and London. Through BFSB, we have been engaging more private sector partners.

Mr. Speaker, attendance at these international conferences, meetings and summits serve a dual purpose for us. Not only does it provide tremendous opportunities to network with a large number of industry participants, but it also provides opportunities for my Ministry to explore and better understand new markets and seek new ways to become more innovative in order to stay ahead of the curve. This is a key component in our strategy to arrest the decline in our financial services sector. New and emerging markets in Latin America and Asia have been identified as our best chance for growth in the sector as business opportunities from the traditional European markets decrease. Coupled with our marketing initiatives the Ministry of Financial Services has identified new ways to promote the sector through the placement of financial and trade officers in various key locations including Shanghai, London and New York. When compared to our Tourism or Maritime product for The Bahamas, it is worth noting that offices to support these sectors are located around the world, however, the second pillar of our economy – Financial Services, has no such presence. Our competitors understand this and have had such presence for years enhancing the dissemination of information, forging relations and networks that result in economic benefit, as well as creating opportunities for Bahamians abroad and allowing greater participation in events in these countries to maximize the Bahamas brand. We must stay ahead of the game if we are to lead Mr. Speaker. We must make prudent investments in our future sustainability in building a Better Bahamas for generations to come. We must show our worth and deliver on our potential if we are serious about this industry. Times have changed, the face of financial services is not that of long ago, we too must change and adapt if we are to survive as viable International Financial Centre.

Mr. Speaker,

As I have stated time and time again, the natural strengths of The Bahamas cannot be imitated or duplicated. There is a need to increase our visibility in this regard. God has

truly blessed the islands of The Bahamas with unrivaled beauty and an enviable geographical location which must be highlighted at all times, and in everything we do. Our regional neighbours can boast of beautiful islands, but not 700 of them, nor can they reach mainland USA in 30 minutes non-stop. They cannot boast of nearly 100 years of financial services excellence and professional human capital resources second to none. Mr. Speaker, The Bahamas is simply the best, better than all the rest – but we must not rest on our laurels, we must act swiftly to stay ahead of the curve and take on challenges head on to create opportunity in adversity.

These attractive advantages coupled with political stability (even the United States is unsure of this right now), an attractive tax regime and cost structure, our common law traditions, skilled workforce and a warm and welcoming climate for investor friendly business, has held The Bahamas as one of the leading international financial and business centers in the Region and indeed the world.

Mr. Speaker, building on our natural attributes, we must also intensify our efforts that focus on lifestyle standards, inclusive of beautification and cleanliness, maintenance, service efficiency, safety and security, utilities, recreational facilities, the arts, schools and quality resorts. These add value for intermediaries, investors, second home buyers, HNWI and UNNWIs as well as Bahamians – we deserve the best quality, infrastructure and environment. One Bahamas, working together and making it Better all the time. This is also evident in the National Development Plan coming together for a brighter future.

As my Ministry continues to promote the Bahamas, this is the message we are spreading, there are no made up stories here, only facts! The truth that it is truly “Better in The Bahamas” and always has been. My Ministry has developed new

marketing material inclusive of a new website, and a comprehensive brochure that will help us to deliver this message all over the world and ensure that the message always remains the same. We plan to launch both of these next month. These will be great enhancements to the already established Bahamas Investor Magazine published by Dupuch publications. This is a testament to the importance of the participation of the government in the promotion and development of the financial services industry, as well as Gateway publication, which is published by BFSB. Together these sources continue to provide an invaluable source of information for the sector and The Bahamas as a whole.

Mr. Speaker,

In our travels we are often provided with speaking opportunities which allow us to raise the profile of The Bahamas tremendously in countries such as the Brazil, China, United Kingdom, Mexico, Greece, the United States and throughout the Caribbean region. And we have come to the conclusion that there is unabated value that the Bahamas government brings to the international arena by being present and displaying its commitment to the sector. Potential investors and other prospective business clients have stated that it makes them consider the Bahamas a little more seriously than other jurisdictions because of the open display of the government's commitment. It shows the world that we are serious about the financial services industry and that they can have confidence in doing business with us.

RMB Hub

Mr. Speaker, in recent times, The Government of The Bahamas has taken advantage of several opportunities for project financing from The Chinese Government and from Chinese corporations. As a result, the Establishment of a hub for trade in Chinese currency is an attractive prospect that the government of The Bahamas has approved and my ministry is diligently pursuing this initiative as a viable project. The success of

this project would translate into an entirely new frontier of financial services and trade business for The Bahamas and would be a monumental achievement in making The Bahamas the RMB Trading Hub for the entire region. The rationale is that The Bahamas government, Bahamian businesses, financial institutions as well as those throughout the region would have the ability to engage in less costly and less time consuming processes related to transactions involving the direct clearing and payment of the Yuan currency in The Bahamas. It would eliminate reliance on the U.S. Dollar and the transacting of business through the United States. The creation of a platform for the Yuan to trade freely with the Bahamian Dollar will allow for international trade finance, and trade and investment to increase significantly. The potential to increase business activity in the global business segment, as foreign corporates set up shop in The Bahamas or those already in existence further leverage to tap into:

- i. a comprehensive pool of RMB denominated solutions,
- ii. an efficient business framework, underpinned by factors ranging from The Bahamas' position as a well-respected international financial centre to its strategic geographic location to North American and Latin American markets, and
- iii. trading without the hurdle of an additional layer of foreign exchange cost and currency risk and to have transactions settled within a favourable time zone (EST) is indeed an attractive prospect.

As I have said before, an increase in international trade finance, trade and investment would create jobs for Bahamians and strengthen the Bahamian economy. Economic slowdown in the United States magnifies the importance of the need to diversify cross-border trading with other markets around the world. Further, new financial institutions would be established in the Bahamas, including the introduction of the first Chinese

bank to the country. The establishment of the RMB Trading Hub in The Bahamas would help to further diversify our financial services sector and position The Bahamas favourably from a global perspective as an even more appealing place to invest and do business.

Product Innovation

Mr. Speaker,

A priority of my Ministry is to ensure that the Financial Services sector of The Bahamas remains competitive and relevant in an ever-changing global environment. My Ministry has been working diligently to develop service diversification and new product development in the Bahamas. The Bahamas has remained innovative and creative over the years while adapting to change. They say innovation distinguishes between a leader and a follower. The competitive environment has spawned creativity for us over the years and we aspire to continue this innovative spirit. The success of the Investment Condominium (ICON) cannot be underscored enough. The enthusiastic interest in this product increased and established it as a staple on the investment funds menu. To date 44 ICONs have been established. And, following a visit to Mexico last year and subsequent talks with the Mexican Authorities, there is every indication that we will be in a position to take this product to market in that jurisdiction before the end of this year.

The expansion of products into markets where they are culturally suitable and legally viable is critical to the work we must do to provide more to our existing financial services stakeholders and in attracting new entrants from both established and developing markets. The ICON is proof positive that we can do it in an efficient and timely manner when we collaborate efforts between the government, regulators and the private sector. It is also important that we consider how we might replace any

business that has been lost or looks vulnerable to loss, but we must not be consumed by loss and allow inertia to set in, we must move in and work to innovate new business ideas. Already, our competitors from the BVI are honing in on this market with a view to creating a similar product and hosting an aggressive roadshow in Latin America last month.

Mr. Speaker,

The Bahamas is jurisdiction that boasts a comprehensive product offering with the international institutions to support industry and client demands, and we have top class industry professionals and service providers to ensure that any structure or advice can be given. However, we will continue create and innovate through the development of new financial products, which will enable us to reach a wider financial services market and ensure that our industry professionals are fully equipped and prepared to take advantage of same. We cannot remain the same and expect different results.

Mr. Speaker,

Where an opportunity presents itself, we will again move in the spirit of creativity, innovation and collaboration in developing opportunities for Bahamians to benefit and thus, leverage the sovereignty of The Bahamas as a great asset.

GLOBAL CHALLENGES AND OTHER INTERNATIONAL INITIATIVES

Mr. Speaker,

In the past decade, the financial services industry for international financial centers has experienced changes in regulatory & tax initiatives, the global economic recession and increased competition.

KEY REGULATORY & TAX INITIATIVES:

International Monetary Fund (IMF)

Global regulatory initiatives such as the IMF periodic reviews of financial centres which included IFCs focus specifically on the extent to which financial centres comply with formal international regulatory standards set by international bodies such as Basel, the IAIS, IOSCO etc. These reviews have incorporated anti-money laundering measures resulting in significant overlap with the FATF reviews.

Financial Action Task Force (FATF)

The international standard setting body in the combat of money laundering and the financing of terrorism has several regional arms such as the Caribbean Action Task Force (CFATF). Regular reviews are carried out on the extent and effectiveness of a country's anti-money laundering regime.

OECD Tax Initiatives

By far the most well-known of the OECD initiatives currently affecting IFCs, is the recent participation by countries to sign tax information exchange agreements modeled after a template created by the OECD to adopt the Common Reporting Standards. Reviews are also carried out with a focus on the framework in place for the sharing of information and the enforcement and implementation aspects.

Other initiatives include the Foreign Account Tax Compliance Act (FATCA), a tax information exchange initiative implemented by the US efforts to improve tax compliance involving foreign financial assets and offshore accounts, and also the AIFM directive, a European based regulatory initiative aimed at the funds sector.

The word “volatile” is perhaps the most fitting description of the financial services industry as a whole. This is the case on a National, Regional and global scale. There are challenges all around. Banks and International Institutions are mobile and migratory as they ferret out jurisdictions which produce the best profit and the least risk leaving whole industry’s and in some cases whole countries in extremely vulnerable and disadvantageous positions.

These challenges are not confined to any particular category of banking, in fact local, international and offshore banking have all been affected here in the Bahamas. All sectors of The Financial Services Industry including onshore and offshore institutions have been negatively impacted. The resultant job losses last year, took a serious toll on industry professionals. The external legal and regulatory demands are particularly onerous and are constant, and despite increasing demands for personnel to conduct regulatory oversight and oversee compliance matters, job losses outpaced these needs and the latest statistics in the November 2015 report show that unemployment in the Bahamas rose from 12% to 14.8%. Of this, business and financial services (directly and indirectly) accounted for roughly 36%.

The future for International Financial Centres is unpredictable, the Bahamas must ready itself through continued diversification of product offering, innovation ahead of the competition, continued investment in professional education, and Mr. Speaker, a concerted effort toward the ease of doing business in the Bahamas through a transparent system operating in a regulated environment with an enviably compliant culture.

We need to continue to examine, introduce and implement systems in line with best practices and recommendations to improve compliance measures and international compliance ratings. Strategically aligned with national interests and goals that not only

meet international standards, but also go beyond to Set those standards, this will improve the reputation of The Bahamas.

It is a mistaken assumption that regulatory arbitrage and tax evasion were main proponents in the economic success IFCs. In actuality, adherence to global regulatory standards, (and in some cases IFC compliance levels have been shown to be superior to the compliance levels of some OECD countries based on objective reviews) has completely dispelled the notion of regulatory arbitrage. We are beginning to see that many IFCs have continued to experience phenomenal growth rates after spending an extraordinary amount of resources on enhancing their regulatory regimes to meet the objective standards set by the international bodies. Singapore is a prime example of this.

Similarly, the notion that the sharing of information based on tax agreements will lead to discovery of hidden tax evasion has not met its expectations for OECD and treasury officials, simply because the now more open and cooperative IFCs continue to thrive without much incident in that regard. There has been an increase in requests for information, but little has been reported on successful cases of tax evasion based on the new information sharing regime. Even the recent leak of information from the Law firm in Panama “Mossack Fonseca” has not proven any legal “wrongdoing”.

Mr. Speaker, in the past few years, we have faced many challenges as an IFC, particularly from the G20 countries seeking to identify, and collect taxes from its citizens around the world. This has caused us to come under much scrutiny, being labeled as a tax haven and being placed on blacklists or excluded from white lists. Through it all, we have been able to rely on our OECD peer reviews which have rated us as being largely compliant. Our commitment to aspire to being fully committed to being fully compliant

and leading the way as a clean jurisdiction is unwavering and unassailable as evidenced by our FATCA implementation. We will be compliant and we will WIN as a sustainable international financial centre.

The overarching principals that govern AEOI and the implementation of the CRS are that OECD member states must act together to combat tax avoidance and tax evasion internationally. Our settled position on the Automatic Exchange of Information and CRS in 2018 signifies our commitment to compliance. There is much trepidation surrounding 2018 and the implementation of AEOI and CRS, and naturally so. The bilateral path that we have chosen toward implementation is courageous and ambitious and will require much work and focused attention. The option was chosen through collaboration between government and industry to make it a success. We believe it is the best option for The Bahamas.

In preparation for 2018, an Implementation Task Force has been selected comprising of all major stakeholders including the Ministry of Finance as the portfolio Ministry, the MOFS, BFSB, the AG and Private Sector representatives. This task force is in the process of determining an effective implementation plan and to assist with the drafting of the requisite legislation before the end of this year. Our work on this initiative is key to the survivability of the sector and my Ministry is committed to working assiduously to ensure its success.

Mr. Speaker, as the task force focuses on 2018, there continues the critical need to monitor jurisdictions to protect and defend continuing attempts to blacklist The Bahamas. These attacks are ongoing and it seems are possible at any given time from any given country. These lists have the potential for causing untold damage to the Financial Services Sector here in The Bahamas unless we act appropriately to rectify the situation before it is actualized. We will continue to work together (an example of how

collaborative efforts effect change), to strategize an action plan toward resolving these matters. These attacks are unjustified and we must ardently defend our reputation. Every effort should be made and every opportunity taken to silence the voices of critics who continue to label this jurisdiction as a tax haven. We will continue to carefully seek to build relationships with countries identified including Tax Information Exchange Agreements (TIEAs), Double Tax Agreements (DTAs) and trade treaties where required.

ENABLERS

Mr. Speaker.

The reputation of the Bahamas' financial services sector is of grave importance to the economic stability of our country. A key element in facilitating the growth and stability of our financial services sector is to foster better relations with other governments, legislators and regulators and other international financial services bodies to understand the impact of legislation and policy between countries impact or affect the financial services sector.

Mr. Speaker, in order to continue to be respected in the global community, the Bahamas must continue to adapt to changing external international regulatory requirements. The Bahamas government is committed to complying with global standards in a manner that upholds an appropriate and acceptable balance of client confidentiality as international standards on information exchange and cooperation continue to develop and expand.

Strengthening our Service Culture

Mr. Speaker.

We must strengthen the services culture in The Bahamas in both governmental and private sector departments that are closely connected with financial services. There is a

critical need to improve efficiency, accountability, response time and client relations. To be specific, although we have begun some work in these areas, for instance, the new online companies registry at the Registrar General's Department and with the On-line registration for business license applications, these initiatives still need to be coordinated with other departments. We must realize we are One Bahamas, the experience is holistic. More improvement is needed in immigration matters and with our regulatory agencies. Improving efficiencies and service attitudes is the responsibility of both the government and the private sector. We must work together. Our competitors are surpassing us in the "ease of doing business". We must improve in technology and innovation.

The Bahamas was ranked 106th by The World Bank Group Doing Business 2016 with a score of 59.0 which is considered far below the regional average for the Ease of Doing Business. The Bahamas plummeted from 89th to 106th out of 189 nations according to the World Bank Table with Singapore ranking at number 1 with a score of 87.34. The Bahamas maintained its ranking in the areas of enforcing contracts, where the Bahamas upgraded from 63rd to 60th, the third straight increase; registering property dropped from 179th to 183rd and received the highest ranking in the category of ease of paying taxes where we jumped from 31 to 24 in the world. However, ease of starting a business is ranked at 118 with particular note that changes to doing business have made it more difficult than in previous years.

Mr. Speaker, I reiterate that there is much room for improvement when it comes to the ease of doing business in The Bahamas. The Bahamas is falling behind while our counterparts across the Caribbean are positioning themselves to be the best. We must work toward stimulating and improving our international competitiveness by reviewing and improving our policies and practices, offering speed and quality to the market as well as taking a good look at how we can improve existing legislation and regulatory

practices that hinder our ability to grow and provide new services. This does not translate into a lower standard, it is the necessity for the government and regulators to understand that the way we do business has changed and that we must equip our industry with the ability to choose alternative approaches to capture new business alternatives in a clean and compliant environment.

Human capital

Mr. Speaker.

What is an IFC without a highly skilled labour force in place to maintain, manage and build it? The Bahamas has an excellent educational system and a highly skilled workforce in the financial services sector. In order to grow, we will require new skills and additional resources, therefore, we must continue to invest in our citizens.

A grant from The European Union (EU) facilitated by The Caribbean Development Bank (CDB) is making it possible for us to demonstrate to the world, our commitment to educating and equipping our financial services workforce to meet and maintain quality standards in the provision of financial services. Establishing the “Centre for Excellence” for professional skills development in financial services for the region is therefore, a priority.

A consultancy firm has been identified to complete the roadmap before the end of this year. The Centre will further solidify The Bahamas position as a premier financial services jurisdiction and the government’s commitment to investing in human capital resources. I cannot underscore enough the importance of this centre to the sustainability of the Financial Services Sector for the future. We are working diligently

in this effort and are seeking opportunities to expand the Centre of Excellence to becoming a “SMART CITY” or “CYBER CITY”.

Mr. Speaker, of particular note, countries like Singapore have gone so far as to partner with Yale University and the Swiss Financial Institute to create education degrees in Wealth Management, tailored to their jurisdiction, ensuring the knowledge remains and is constantly cultivated. This is an example of the direction we ought to be taking, working together to identify needs and defining solutions through collaborative efforts. And recently Mr. Speaker, the Cayman Islands has recently revealed plans for developing a “SMART CITY” for the advancement of technology and financial services. Another example of how we must catch up.

We must also work with the Ministry of Education to strengthen education at the tertiary level recognizing the investment that must be made in our number two industry from early on.

The issue of training and human development is an essential pillar of my Ministry. My plan for the Ministry, Mr. Speaker, includes a vision for the long term sustainability and the transfer of knowledge among professionals. That is the only way the professional resource can be sustained. My Ministry will continue to focus on human development and mechanisms to improve productivity in the financial services sector. My hope is that through education, training and development – financial services will not only be a source of high paying jobs and career development; but also a source to spur entrepreneurial activity for Bahamian professionals and the most efficient and productive sector of our economy.

Mr. Speaker,

My Ministry's strategy focuses on education at all levels. The Strategy includes foreign language training and cultural sensitization. I want to make sure that our Bahamian professionals have an equal opportunity to move from the back office where their skills and talents have been focused and appreciated for a number of years – to the front office where client interfaces and exchanges occur. I am seeing some positive advancement in this regard and I wish to see this trend continue and accelerate. That is why my Ministry has partnered with the Bahamas Financial Services Board, the Ministry of Education and Rosetta Stone to develop a Language Learning Initiative at the high school level. We are seeking to ensure that the relevant business languages are offered at all levels. The focus has been on Spanish. The Language Learning Initiative commenced last fall with high schools in New Providence, Grand Bahama and the Family Islands participating and I am happy to report that most of the 200 participants were successful in the completion of the programme and some I understand will be moving on to do a language immersion in a Spanish speaking country. We are looking at duplicating this process in Mandarin.

Mr. Speaker, we have developed a successful financial services industry in The Bahamas that is a linchpin in our economy. We have proven our ability to be resilient, but we now need to reflect in the challenges and opportunities of a changing business environment from a policy perspective will benefit the interests of the financial services industry in The Bahamas in the long-term. We must be serious about allocating the necessary resources to the financial services industry to allow for its successful promotion and advancement.

Survivability of the Bahamas as an IFC will only be to the extent to which we can balance meeting the continually changing global regulatory standards while being able to compete effectively with other jurisdictions in what is starting to look like a very

crowded space. We will meet challenges as they arise, as we remain creative and innovative while adhering to sound principals and sustainable policies. We will protect our existing business, reposition our current offerings and build new capabilities.

In this regard I was extremely encouraged when on 26th May Sterling Bank and Trust added a new bank license to their portfolio of services. Nassau based Sterling Financial Group has been around for many years but have further anchored themselves to the jurisdiction by this new licence. It is a clear, unequivocal demonstration of their faith, confidence and commitment to The Bahamas helping to increase our standing and profile among our competitors . We are proud they chose The Bahamas.

TRADE

Mr. Speaker, given our continued dependence on tourism, financial services and foreign direct investment to drive our economy, The Bahamas must continue to find new ways to diversify the Bahamian economy. Trade provides a vehicle that can be used to promote economic diversification, economic growth, and sustainable development. In that regard, the Government is committed to advancing a trade liberalisation agenda as a tool to build on existing platforms and forge an environment in which businesses with a commercial presence in The Bahamas can be positioned to take advantage of new opportunities to export products and services regionally and internationally. The institutional and structural reforms that will be undertaken to advance this agenda are necessary to boost productivity and enhance the competitiveness of the Bahamian economy, which in turn will create an environment conducive to attracting foreign direct investment.

In 2012, the Progressive Liberal Party made a commitment to:

"... ensure that the Bahamian people are made aware of the terms and full implication of various trade agreements undertaken by The Bahamian Government. This would extend to a deliberate and sustained plan to integrate these agreements into everyday business activity in The Bahamas."

To that end, the Government of The Bahamas has reconstituted The Bahamas Trade Commission to aid in fulfilling this commitment. The ten member Commission made up of representatives from both the Public and Private sectors is headed by Mr. Philip Galanis.

Consequent to that commitment, the work of the Trade Commission will entail public awareness and sensitizing the Bahamian public and the business community about the effects of trade liberalization on the Bahamian economy, the full implications of the trade agreements, and making recommendations and/or creating a plan to integrate trade agreements into everyday business activity in The Bahamas.

The Commission's work will therefore include:

- Identifying industries and sectors vulnerable to trade liberalisation and assessing and determining the extent to which they are vulnerable
- Providing recommendations to the Government on how to safeguard and bolster vulnerable industries and sectors
- Identifying industries and sectors which stand to benefit most from trade liberalisation and identifying export opportunities
- Informing the Private Sector on how to prepare for trade liberalisation
- Assessing from industry constituents the extent to which there has been limitations on market access abroad for their respective products or services
- Providing recommendations to the Government on the posture to assume during trade negotiations in respect of increasing market access

- Identifying sectors which are suffering from ‘dumping’, increased competition due to subsidy regimes, and import surges and
- Providing recommendations to the Government to counteract such trade phenomena

The Commission plans to work closely with the National Development Secretariat as the Secretariat moves ahead in drafting a nonpartisan National Development Plan to guide the country’s development until 2040.

In that regard, The Bahamas Trade Commission will also engage the College of The Bahamas, the country’s premier tertiary institution in these activities. Representatives from my Ministry have met with officials of the College of The Bahamas in recent weeks to confirm the ongoing collaboration which will take place between the College of The Bahamas and the international consultant selected to undertake a Vulnerability Study to advise the Government on various policy options that the Government should deploy to deal with those sectors of the economy identified as most vulnerable to mitigate against the effects of increased foreign competition arising from trade liberalization.

World Trade Organization

Mr. Speaker,

The World Trade Organization (WTO) currently has 162 member countries representing 97% of total trade and global GDP. Membership in the WTO is viewed by the Government as a key element of the country’s economic strategy to encourage national development through increased trade and integration with regional and global markets and diversifying the economy.

The Government of The Bahamas is mindful of both the vulnerabilities of the Bahamian economy and the benefits of WTO membership. We recognize that Membership in the

WTO brings the stability and predictability conducive for trade and investment. The importance of accessing foreign markets and attracting foreign direct investment for the continued economic wellbeing of Bahamians remains paramount for our country's economic development. I must stress that remaining on the fringes of the WTO, the body which sets the global rules for trade is no longer a viable option for The Bahamas.

Mr. Speaker, in order to ensure that there is full input into any process involving membership to the WTO, which will invariably have a profound impact on the future development of the country, Cabinet has given its approval for a reconstituted Negotiating Team for The Bahamas. The Negotiating Team comprises the following 13 members:

- a) The Chairman, Chief Negotiator
- b) Alternate Chief Negotiator
- c) Relevant Permanent Secretaries and Directors.

I am pleased to advise that the Negotiating Team lead by Mr. Philip Galanis, who also serves as the Chairman of the Bahamas Trade Commission, met last month. Mr. Hillary Deveaux who serves as a Consultant in my Ministry also serves as the Negotiating Team's Alternate Chief Negotiator.

IDB Trade Loan

Mr. Speaker, the Ministry of Financial Services continues to make progress in accessing funds under Component III of the Inter American Development Bank (IDB) Trade Sector Support Program Loan obtained by the Government in August 2012. Component III is aimed at strengthening trade-related institutions and ensuring that The Bahamas has in place relevant laws and institutions which are in keeping with our international trade obligations and international best practices, while also supporting the Government's

efforts in using trade as a vehicle to support economic development and economic diversification.

Consultancies undertaken with funding obtained under Component III of the IDB loan will address capacity constraints of trade related institutions in The Bahamas, which is crucial for the participation of The Bahamas in international trade negotiations, and the implementation of its obligations under present and future trade agreements.

Economic Partnership Agreement

Mr. Speaker, the CARIFORUM –EU Economic Partnership Agreement (EPA) is one of those trade agreements to which I alluded earlier. Signed in 2008, the Agreement establishes a preferential trade agreement in which CARIFORUM States (i.e. CARICOM States and the Dominican Republic) can engage in reciprocal, albeit asymmetrical trade liberalization with Member States of the European Union while also complying with the rules governing the World Trade Organization, the international organization responsible for trade globally.

The EPA provides an important tool which can be used by Bahamian businesses to increase trading opportunities and to diversify our economy. In addition, it provides opportunities for The Bahamas to access invaluable technical assistance and funding available under the Agreement. My Ministry will continue to collaborate and hold ongoing consultations with relevant public and private stakeholders in order to identify trade opportunities presented by the EPA.

In that regard, three notable projects have been identified for The Bahamas to receive technical assistance funds:

1. Project Title: Technical Study: Establishment of a Caribbean Centre of Excellence for Financial Services in The Bahamas

Since I last reported I can confirm that the Consulting firm GBRW Limited has been selected to undertake a consultancy to formulate recommendations for the transitioning of The Bahamas Institute of Financial Services into The Bahamas Caribbean Centre of Excellence for Financial Services (CCEFS). Once operational, the CCEFS will function as a regional training institute for the provision of professional finance education as well as a regional research institute for the financial services industry. The work of the consultant will involve the development of a feasibility assessment, business plan and implementation plan (Road Map) for the establishment of the CCEFS, based on an analysis of skill gaps in relation to the needs of a fully compliant and growth oriented, financial services sector. The CCEFS would be financially sustainable and would provide an enhanced platform for training and research services in CARIFORUM States and the European Union's Overseas Countries and Territories (OCTs).

The Consultant visited this April and held consultations with industry representatives from the Financial Services Sector. The Consultant has submitted its Inception Report and intends to return later this month to hold further consultations and an industry briefing.

The establishment of a CCEFS is part of a long-term effort to improve the Region's economic prospects and long-term development outlook through the establishment of training and research institutions for the region's financial services industry. The training mandate of the CCEFS will help to develop a well-trained and skilled cadre of finance professionals. The research and development component will focus on forecasting long-term industry skill requirements for the financial service sector and identifying educational programme opportunities; developing new ideas and regional strategies on current global financial matters; advancing the interests of the region's financial services sector in the international arena; providing insight, based on best practices, on how to strengthen regulatory frameworks; and stimulating thought on the development of new products. The Centre is also expected to promote the strengthening and expansion of partnerships between financial services employers and

educational institutions in order to create the type of programmes which can keep pace with the latest developments and best practices within the financial services industry.

The Government of The Bahamas believes that the strategic location of the regional institute in The Bahamas will provide opportunities for Bahamian financial services professionals to impart their knowledge and experience while also promoting The Bahamas as a regional and international hub for financial services.

2. Project Title: Institutional Strengthening for EPA Implementation in the Commonwealth of The Bahamas

The primary goals of the Project for Institutional Strengthening for EPA Implementation in the Commonwealth of The Bahamas are to improve the implementation of the EPA within The Bahamas, and to provide support to The Bahamas Bureau of Standards and Quality (BBSQ) in building a National Quality Infrastructure (NQI) which will also facilitate EPA implementation by supporting the competitiveness of Bahamian products on international markets and enhance consumer protection. This project will provide assistance to the Ministry of Financial Services by building the capacity of its EPA Implementation Unit and improving The Bahamas' NQI, both of which are consistent with development priorities under the EPA and the specific objectives of the funding made available under the EPA for capacity building.

Other anticipated outcomes from funding received will allow the Ministry of Financial Services to engage the services of Consultants to assist the Ministry in the development of a communications strategy to increase the understanding of stakeholders on how to take advantage of the opportunities presented by the EPA and the strengthening the EPA Implementation Unit within the Ministry of Financial Services.

3. Project Title: Trade Information Service for The Bahamas

Mr. Speaker, my Ministry is committed to see the establishment of a Trade Information Service Desk and electronic portal in collaboration with the Bahamas Chamber of Commerce and Employers Confederation. This project will facilitate the establishment of an online platform that will put national, regional and international trade data at the fingertips of Bahamian enterprises wishing to engage in international trade. It will also provide a virtual market place for Bahamian buyers and sellers. The Government has approved in principle the signing of a Memorandum of Understanding with the Bahamas Chamber of Commerce and Employers Confederation which will provide a framework for the Ministry and the Chamber to administer the Trade Information Desk and Virtual Market Place. The Government's commitment to this project is clearly illustrated in the Government's support for the engagement of a Trade Information Specialist to administer the Trade Information Service Desk and electronic portal.

The need for a single repository for trade information on The Bahamas is vital if trade is to increase as there is limited access to information on the Bahamian market which is accessible by potential suppliers of intermediate goods and buyers of finished products wishing to trade with Bahamian businesses. This makes doing business with The Bahamas expensive.

The establishment of the Trade Information Service and Virtual Market Place will provide the business community with access to national, regional and international information including important export/import statistics, and other information about trade regulations (quality and standards, coding, certification, rules of origin), shipping, company profiles and trade agreements. It is anticipated that the new initiative will serve as an important business facilitation measure by reducing the cost and time required to access trade information while improving the ease of doing business in The Bahamas.

Industry

Mr. Speaker, my Ministry continues to provide support to local manufacturers designated as “approved Manufacturers” under the Industries Encouragement Act. Our records indicate that there are eight hundred and ninety five (895) registrants under the Act. However, only one hundred and eighty eight (188) of those registrants are active, the remainder are inactive. We continue to receive requests from manufacturers seeking relief from customs duties under the Act and who are involved in any aspect of manufacturing including processing, packaging or assembling of raw, semi-processed or processed materials into finished products.

Under the Act, persons who have been declared by Ministerial Order to be an “Approved Manufacturer” of an “Approved Product” may be granted exemptions from the following taxes:

- Customs Duties: duties imposed under the Tariff Act, taxes on import or export entries under the Stamp Act, and any other duties imposed on imported goods;
- Export Taxes: taxes imposed on a person under any export tax legislation;
- Income Taxes: taxes imposed on a person under any income tax legislation ;
- Real Property Taxes: taxes imposed on land under the Real Property Tax Act.

Customs duties exemptions may be granted for Machinery, Equipment, Raw materials, certain articles imported for the purpose of constructing, altering, reconstructing or extending the applicant’s factory premises such as :

- building materials
- tools

- plant (e.g. machinery)
- equipment
- pipes
- pumps
- conveyor belts
- Other materials or appliances necessary for and used in construction and alteration of the factory premises

Since July 2015, we received five (5) new applications from Bahamians seeking to become Registrants under the Act. Six existing registrants have applied for their status to be renewed.

To receive a renewal letter and have their status renewed the registrant must have a current Tax Compliance Certificate issued by the Department of Inland Revenue. The Tax Compliance certificate evinces that the registrant has paid any fees due to the Business Licence Department, the Customs Department, the Immigration Department, the Road Traffic Department, the Real Property Tax Department, the VAT Department and the National Insurance Board.

In my last contribution, I indicated that my Ministry is presently conducting a comprehensive review of the Industries Encouragement legislation and the approval process. We intend to make this process more transparent to the public and hope to sponsor a workshop for interested persons in the coming months. Such a workshop is important to increase awareness of the benefits available to enable Bahamian entrepreneurs under the Act and to encourage the development of small and medium sized enterprises.

ARBITRATION

Mr. Speaker

The Bahamas is poised to become the Caribbean Seat of International Arbitration in view of its strategic geographic and neutral platform, well established and respected relationship with its neighbours, in the Caribbean, North and South Americas, and also its impeccable record for the Rule of Law.

Mr. Speaker

The institutional framework to become an UNCITRAL Model Law Jurisdiction, (United Nations Commission for International Trade Law) will be enacted before the end of 2016. This will further solidify The Bahamas as a choice location for the conduct of international arbitrations. The model law is considered the global standard and has been adopted by 70 states in a total of 100 jurisdictions.

The model law provides international parties to have greater confidence to arbitrate in The Bahamas. This is because the proposed new legislative framework is certain, proven and predictable.

Mr. Speaker

Since October of 2015, the MFS has been working closely with the Ministry of Foreign Affairs for The Bahamas to become a Member state of the Permanent Court of Arbitration, (PCA) before the end of June, 2016.

I would like to commend my colleague, The Hon. Fred Mitchell, Minister of Foreign Affairs and Immigration and Member of Parliament for the Fox Hill Constituency for his strategic and timely collaborative efforts with us towards The Bahamas becoming

an accredited State Member of the Permanent Court Of Arbitration (PCA) before the end of June, 2016.

Mr. Speaker

My Ministry recognizes that international arbitrations are closely intertwined with the financial services sector of our nation. For this reason, the proposed International Commercial Arbitration Bill, 2016, will provide a provision for the Permanent Court of Arbitration (PCA) to be the Default Appointing Authority. This means that should parties agree for a panel of 3 arbitrators, and the 2 party appointed arbitrators are unable to agree on the third, the PCA will be the statutory default appointing authority to appoint the 3rd arbitrator.

Mr. Speaker

MFS will continue to promote capacity building to strengthen the judiciary, legal profession and other professional bodies in the area of international arbitration and alternative dispute resolution.

Mr. Speaker

In line with my government's commitment to build a cadre of internationally recognized arbitrators, Meg Kinnear, Secretary General of the World Bank International Centre for the Settlement of Investment Disputes, conducted a series of workshops for Senior Government Lawyers from CARICOM Member States, and professionals from the public domain on 30 – 31 March at the British Colonial Hilton Hotel. Over nine CARICOM member states attended sessions.

Mr. Speaker

MFS is committed for The Bahamas to become a vital regional Centre of Excellence for training and educating professionals in international arbitration. Therefore, capacity building workshops in international arbitration is foreshadowed for October for CARICOM Senior Members of the Judiciary and Young Practitioners. These workshops will be facilitated by the International Council for Commercial Arbitration, (ICCA), The University of Miami - School of Law, the International Centre for the Settlement of Investment Disputes, (ICSID), and the Permanent Court of Arbitration, (PCA).

Mr. Speaker

My Ministry will continue to diligently work with the Ministry of Foreign Affairs, the Judiciary, The Bahamas Bar Association, and other stakeholders including The Bahamas Maritime Authority, The Bahamas Financial Services Board, The Bahamas Chambers of Commerce and Employers Federation as well as reputable international arbitration institutions. Such collaborative efforts will facilitate more international arbitration work and legal transactions in The Bahamas.

Mr. Speaker

My Government also understands that creating The Bahamas as an international arbitration hub is a very long process where serious competition exists. Therefore, over the next budgetary year, the MFS will establish a Board led by MFS Consultants for International Arbitration

BAHAMAS BUREAU OF STANDARDS AND QUALITY

Introduction:

Mr. Speaker, I turn my attention to The Bahamas Bureau of Standards and Quality (BBSQ). I advised during my Mid Term contribution that it is the National Standards Body, established by the Standards Act and Weights and Measures Act of 2006.

Mandate:

I further advised that the Bureau of Standards is mandated to promote, coordinate, develop and declare nationally-recognized standards in an effort to guarantee quality, safety, consumer and environmental and industrial protection. The BBSQ is also mandated to regulate all weights and measures activities in the Commonwealth of The Bahamas.

Strategic Plan

Our three-year Strategic Plan is the Blueprint or Road Map for the development of the Bureau of Standards and Quality. Our vision and mission establish the primary focus and serves to guide and direct the Bureau's approach, which is to advance national development through the implementation of quality services.

BBSQ/National Quality Infrastructure:

The changing dynamics of the 21st Century is creating a new global environment that requires a major paradigm shift by Small Island developing states like ours. I said in my mid-term budget presentation that if The Bahamas is to see continued growth as an emerging market for foreign investments and similarly in exportation of goods and services to the rest of the world, it is imperative to implement an effective quality infrastructure to improve and support health and safety, the environment, competitiveness, trade, research, and innovation.

This quality infrastructure refers to the implementation and building blocks of a standards and weights and measures regime that has a bearing and connection with conformity assessments; all of which must support international best practices and principles of the World Trade Organization in removing Technical Barriers to Trade.

It is only if, and when, requirements such as quality infrastructure in standards and metrology are met, will international commodity trading and exchange of services be possible.

Mr. Speaker, it has been less than three months since I last updated Bahamians on the significant progress the BBSQ is making to ensure that all of the necessary and vital measures for developing a national quality infrastructure were in place and maintained to assure security, health, and wellbeing of Bahamians, while at the same time advancing sustainable economic growth for The Bahamas.

Mr. Speaker,

I want to emphasize the fact that the BBSQ, through its many international affiliations is introducing a structured and systematic approach to eliminate an environment that exposes our residents to potential dangers and prohibits opportunities for Bahamian manufacturers and the country as a whole to participate in and benefit fully from the trade regional and global trade agreements we have signed on to.

As indicated in the Mid-Term Budget debate, we are members of many regional and international organizations. Among them are, the International Organization for Standardization (ISO), which are the World's Leaders in standards development, CARICOM Regional Organization for Standards and Quality (CROSQ), Inter-American Systems for Metrology (SIM), National Conference for Science and Laboratory Institute (NCSLI), Affiliate Program Member for International Electrotechnical Commission, Pan American Standards Commission (COPANT), and Caribbean Network of Conformity Assessment Bodies (CANCAB). These organizations have and continue to be great

resource centres that provide the guidance, support and assistance we have sought and continue to seek as we develop BBSQ.

NQI/Services Launch

Mr. Speaker:

The support and assistance of the international standards agencies are evident through the relationships we have built with these organizations as we develop our National Quality Infrastructure. Later this month, the Standards Council and I will travel to the Jamaican Bureau of Standards to observe first-hand, the services of a National Quality Infrastructure that has in operation effectively for over 40 years. The team will get an opportunity to engage in dialogue with the operators of the Jamaica NQI to better understand how their system works and its benefits to the Jamaican society.

Mr. Speaker:

We are moving resolutely and systematically toward the full operation of the Bureau and the implementation of its services. We must ensure that we create a new culture in our society that will change our approach and foster a new attitude that motivates and inspires all Bahamians and those who reside and do business in this country to settle for and accept nothing less than the internationally accepted quality standard.

So, this mission to Jamaica is strategically scheduled. It comes approximately three weeks ahead of the Bureau's Official Launch of its Services and will assist in preparing the BBSQ to fully and effectively implement its NQI services.

On July 8th we will Officially Launch the Services established through the three established units - Standards, Metrology and Accreditation. This ceremony will officially introduce the Bahamas Bureau of Standards and Quality as the National Standards Body with the Legal Authority to create a Quality Infrastructure framework. The full range of services will be unveiled.

Mr. Speaker:

We have already begun to engage Stakeholders in discussions on how we work collaboratively to build an effective National Quality Infrastructure. We are developing a Data Base of those companies and individuals to ensure the collaborative process is continuous as the BBSQ evolves in to the National Standards Authority.

We have also embarked on a public awareness and education campaign as we seek to enlighten the public on the Bureau and its work through the services and established Units. This initiative is built around the international observances that highlight specific standards and quality related services. Late last year we began with World Standards Day. We used the opportunity to introduce the public to International standardization and its impact on societies that have embraced the introduction of standards in every sector of the society. We highlighted the work our Standards Unit has been doing.

Last month we observed World Metrology Day spreading the message of the vital fundamental role metrology plays in developing a Quality Infrastructure. The Metrology Unit is concentrating on developing the full spectrum of Legal, Scientific and Industrial Metrology. However, based on the current resources, the primary focus is on Legal Metrology. Our team is committed to ensuring that we can deliver the Legal Metrology Services required to help build our NQI. World Accreditation Day scheduled for June 9th creates another opportunity for public awareness and education. On that day we will seek to enlighten the public through various presentations to representatives of both private and public laboratories on the work, services, and benefits of Accreditation.

Metrology Services

Mr. Speaker,

As mentioned in a previous contribution, our metrology department's main focus is the enhancement of The Bahamas' measurement capacities that will be traceable to the International System (SI) of Measurement in the areas of legal and scientific metrology. Our well-trained metrology team is equipped to perform such legal and scientific metrology services, such as:

- Verification of petroleum pumps
- Testing of commercial scales at all ports, hospitals, grocers, pharmacies and shipping yards, etc.
- Calibration of weights
- Dimensional metrology, and
- Metrology as it relates to health

We are equipped with certifiable metrology equipment and have already begun performing the aforementioned services to both public and private sector groups. During our observance of World Metrology Day, we embarked on a month long promotion which is currently going on. We are offering complimentary verification of commercial scales less than 200 pounds. This serves as an introduction to the community that the BBSQ is here and committed to providing metrology services to improve the quality of products and services to internationally accepted standards.

Accreditation Services

Mr. Speaker:

We remain committed to ensuring that the Accreditation aspect of the Bureau's work develops in tandem with Standards and Metrology.

As an active member of the Caribbean Cooperation Accreditation (CCA) Scheme we are working to implement a vital aspect of Conformity Assessment Services before the end of this year. We will adopt the CCA Mark Legally Registered and Approved for usage. This Conformity Assessment achieves a portion of the mandate to verify compliance through a national certification process that complies with regional and international standards.

I wish to remind Bahamians that Conformity Assessment Services will perform inspections, market surveillance of locally manufactured and imported goods, and also advise Custom officers, retailers and traders on legal requirements of the local market.

The reality is, at present, active market surveillance in The Bahamas is sporadic at best. While there are laws, prescribed test procedures, and penalties for noncompliance; in practice, random testing is limited. There is no comprehensive system for the adequate inspection of goods that enter the country to ensure that they are of the best quality. BBSQ will work closely with the Customs Department to ensure that such measures are in place. Further, there are limited testing facilities to ensure that products meet basic standards. What is the end result? Our residents are often exposed to inferior or substandard products. Some members of the business community suggest that The Bahamas has become a dumping ground for products that can mislead consumers, are potentially unsafe and negatively affect the competitiveness of local producers.

The Accreditation Unit of the BBSQ has responsibility for introducing the highest level of assessment to determine the technical competence and integrity of organizations services, based on international standards.

To facilitate this aspect of the mandate, the BBSQ is working diligently to introduce at least two (2) Laboratories to participate in proficiency testing at earliest in 2017, but not later than 2018.

The facilitation of such assessment testing will produce results that are used across various sectors of society, including Government policy makers to deliver better regulation, environmental protection, public safety, fraud prevention, fair markets, prevent barriers to trade and public trust. These Proficiency assessment tests also reduce risk for business and its customers by assuring that accredited organizations are competent to carry out the work they undertake within their scope.

Standards Development

Mr. Speaker,

The introduction of International Quality Standards as a significant component of societal change will revolutionize the conduct of business in every sector of the country and create opportunities for the regional and international export of Bahamian products. Standards will ensure that consumer interests are protected at all times and promote the culture of “value for money”.

I wish to remind this honourable House and Bahamians across this archipelago that in February of this year, in accordance with Section 8 (2) of the Standards Act 2006, I declared the following three (3) regional standards as National Standards for the Commonwealth of The Bahamas:

- Specification for Packaged Water;
- Code of Hygiene Practice for Packaged water; and
- Code of Practice for General Principles of Food Hygiene.

Mr. Speaker,

Water standards are critical to the health and well being of our residents given the high consumption of packaged water from a large proliferation of companies that have appeared in recent times with questionable standards.

I acknowledged then and I re-iterate today that this is a testament to the hard work of the Bureau of Standards, the public and private stakeholders, and technical experts who volunteered their time and expertise in the development of standards in the national interest.

Mr. Speaker,

These three national standards were benchmarked against regional and International guidelines, particularly CODEX Alimentarius, International Organization for Standardization (ISO), World Health Organization, and CARICOM Regional Organization for Standards and Quality (CROSQ), and

- i. International Bottled Water Association (IBWA)
- ii. Code of Federal Regulations

Comments from stakeholders throughout the Commonwealth of The Bahamas were solicited during the development process. I wish to highlight a few specifics from each of the three standards:

1. Specification for Packaged Water

Addresses requirements for the quality, safety, treatment, bacteriological acceptability, storing, collecting, packaging and labeling of all types of water that are packaged for sale and used as beverages, or used in cooking.

2. Code of Hygiene Practice for Packaged Water

Outlines the requirements for appropriate general techniques for collecting, processing, packaging, storing, transporting, distributing and offered for sale, for all bottled or packaged drinking water for direct consumption.

3. Code of Practice for General Principles of Food Hygiene Outlines the essential principles of food hygiene within the food chain from primary production to the final consumer, stipulating the acceptable Hygienic conditions for producing food that is safe and suitable for consumption, such as:

- Handling, Storage, Packaging and Transportation of food
- The cleaning, maintenance and personal hygiene at the primary production
- The establishment's design and set up of facilities and equipment
- Cleaning, Drainage and waste disposal
- Water, Temperature control, air quality and ventilation

- Food hazards, microbiological cross-contamination, physical and chemical contamination

All standards will be available for sale at the Bureau of Standards, the Source River Centre, 1000 Bacardi Road, with effect from 1st July 2016.

Mr. Speaker,

But the work of the Standards Department does not end there. In fact, it is just beginning. Through its annual operational plan, the Department is currently reviewing the following standards:

- Labeling of Prepackaged Foods; Prepackaged Goods, Tobacco Products & Aerosol Products;
- Specification for Brewery Products
- Specification for Rum
- Grading requirements for Tabled eggs, Specification of Poultry & Poultry Products, Poultry Feeds and Feed ingredients
- Standards for Building Products, such as
 - Building Codes
 - Specifications for Cement
- Standards for Electric and Electronic Products
- Medical Laboratories and Requirements for quality and competence – such as ISO 15189
- Quality management for Medical devices - ISO 13485
- Tourism and related services standards such as:
 - Medical Tourism, Adventure Tourism, and Diving Services
- Standards for the Environment, Health and Safety, such as:
 - Waste Disposal – general liquid & solids, hazardous waste and medical waste
- And last, Safety management systems i.e. personal and occupational

Employment Opportunities

As we move toward achieving our objectives in New Providence and the Family Islands we must ensure that the requisite resources are in place.

The current employees have done an outstanding job getting us

to the point where we are now poised to introduce our services to the public.

The team of experts working in the various units provides the

foundation on which we will build this much needed agency. However, the staff complement must be increased to ensure consistency in the provision of services.

We intend to fill several key positions in the coming months if we are going to have the kind of impact we anticipate from the Bureau, namely:

- Two (2) Standards Officers
- Fourteen (14) New Inspectors in the Regulatory Unit, and
- Five (5) Operations and Administrative Staff, inclusive of a Deputy
- Director, Project Manager, Information Technology Officer, and
- Fill vacancies in Accounts and Human Resources.

Mr. Speaker,

Our mandate is national and we must always be cognizant of the need to fulfill our obligations throughout our Family of Islands. We have established an objective through our Strategic Plan to expand our services to the Family Islands within the next three (3) years. This expansion which will predominantly include Inspectors, together with the positions to be filled in New Providence should employ an additional 100 workers.

These jobs, Mr. Speaker are not low paying, entry level positions, but quality career opportunities that require highly skilled, qualified Bahamians

Mr. Speaker,

Much work has been done on this journey toward developing our National Quality Infrastructure. Director Bufford and her team, together with the Standards Council, the Private and Public Sector Stakeholders and our International partners remain committed to the development of this much-needed agency. We continue our appeal to Bahamians from all walks of life to join us as we seek to assist the development of our society through a commitment to standards and quality.

Mr. Speaker,

We have established three National Standards and envisioning several others. I implore ALL of us to keep in mind that these changes have far reaching implications and can improve the quality of life, promote revenue growth for businesses, increase consumer confidence in the quality, safety and reliability of imported and locally produced products. These changes also introduce a dynamic that has major national benefits and opens the door for Bahamian manufacturers and producers to engage in regional and global trade. I encourage ALL stakeholders to work with the Bureau as we build a National Quality Infrastructure regime through the BBSQ that will become the envy of the region and respected globally....

Mr. Speaker,

The Department of Local Government has received an allocation of \$22,260,880 for the 2016/2017 Fiscal Year.

Firstly, I wish to extend heartfelt condolences to the family of the late Abner Pinder, former Chief Councilor and Community Activist, on the Island of Spanish

Wells. Mr. Pinder will always be remembered for his fortitude in the fight for local governance in the Family of Islands.

Mr. Speaker,

The fundamental focus of Local Government has been and will continue to be advancing the capacity of Local District Councils to ensure that their respective communities are economically empowered in a manner that is sustainable. In order to ensure this mandate, Central Government's representative on the Family Islands must work in a collaborative manner with the duly elected Local Government officials. To ensure that the efficient and effective implementation of initiatives are advanced, Local Government must take in to consideration the financial, cultural, environmental and social needs of their respective Island Communities.

For the Family Island Administrators to effectively function as the Central Governments representative in the Family Islands there needs to be a comprehensive understanding of current initiatives and policies, that have been implemented by this government. Fiscal responsibility, accountability and transparency are critical if we are to improve the manner in which government services are delivered to Family Island Communities.

Mr. Speaker,

Over the years there were several persons throughout the islands who were paid by Local Government and deployed in various government agencies. As a result, when this government was elected, it was determined that they should be made Permanent and Pensionable, by the Bahamian Government. Financial clearance was obtained and all outstanding payments to the affected persons have been processed.

Mr. Speaker,

The local Family Island economies, social structure and cultural lives have expanded and evolved from what it was 20 years ago. As such local government in its policies and practices must continue to evolve in order to deliver critical services to its communities now and into the future. Family Island Communities are no longer satisfied

with their local district councils coordinating garbage collection and general clean up campaigns.

They are looking for their elected communities leaders to envision bold and progressive ideas and to implement trans-formative programmes that will positively impact the lives of the communities that they serve.

As such my Ministry is focusing on ensuring that Local District Councils embrace the concept of public/private partnerships as a means of seeing concrete improvements to the economic reality of their respective Family Islands. In this vein, I am pleased to advise that key officials from the Department of Local Government participated in a Commonwealth Local Government (CLGF) Forum, which was held in Trinidad and Tobago, during the month of April 2016. The main focus for this meeting was on “Strengthening Local Government's Role as a Partner in Development”.

Given the fact that this Government in which I am honoured to serve, has embarked on the establishment of a National Development Plan 2040, this was seen as an opportunity to meet with my regional counterparts to discuss the vital role that Local Government can play in advancing the National Mandate at the local level. This conference provided a venue in which government officials discussed ways on how local community leadership can assist the Government in ensuring that it meets The New United Nations Sustainable Development Goals (SDG), whereby benefits are felt by each and every citizen of this country.

Mr. Speaker,

This year marks the 20th anniversary of the establishment of Local Government in The Family Islands. My Ministry has planned a number of activities to mark this occasion, as such the month of June 2016 has been designated – Local Government Month, under the theme, “Advancing Democracy Through Local Government”. These

activities commenced with a church service which was held at Zion Baptist Church, East and Shirley Street, Nassau on Sunday The 5th June 2016.

In an effort to bring about more understanding Of Local Government, and to plan the way forward, the Department Of Local Government will hold a leadership conclave with all Family Island Chief Councilors during the month of June. It should also be noted that the Department will honour a representative from each Local Government District, for their hard work and dedication to the development of Local Government over the past twenty (20) years.

Mr. Speaker,

In preparation for the future role that Local Government will play in the development of government it is important for us to prepare a cadre of leaders throughout these islands. As such, we have seen the election of Local Junior Councils in the following islands:

Exuma

Inagua

Long Island

Cat Island

Eleuthera

San Salvador

Andros

Berry Islands

Abaco

Grand Bahama

These youthful leaders will learn how to focus on the actual needs of their communities while developing strategies for implementation of those needs.

Mr. Speaker,

In 2015 during the passage of Hurricane Joaquin, the Administrator's Offices in Crooked Island and Acklins; were severely impacted. As a result, Administrators were forced to relocate to other premises in order to carry out their daily functions.

The National Emergency Management Agency (NEMA) is presently completing repairs and renovations to these and other public buildings that were affected.

Mr. Speaker,

There have also been damages and destructions to many homes throughout the South East Bahamas. I believe that this government is moving expeditiously to restore these homes and communities back to an acceptable standard of life for our people.

Mr. Speaker,

At the core, the purpose of Local Government is to bring democracy closer to the people. The decentralization of certain aspects of government is a natural progression for any forward thinking nation. As such, this government has determined that Sweeting's Cay will be made a second schedule district, and that Moore's Island, Green Turtle Cay and The Berry Islands have been made Autonomous Magisterial Districts. Thereby allowing all of these communities a greater say in their own path to progress.

Each community while a part of the whole has specific needs and challenges that are unique to them. Having an intimate knowledge and understanding of the nuances of a community goes a long way in ensuring that government initiatives are implemented

in such a fashion as to be cognizant of the fact that what may work in Nassau, may not work in the same form in Mangrove Cay, Andros.

This government is in the process of finalizing a pilot project with the Local District Council of Hope Town, Abaco which will see the Local Council in the future being responsible for the collection of Real Property Tax in its community.

This Memorandum of Understanding has the potential of expanding the current role of the Local District Council and will give them more authority to assist Central Government in the collection of government taxes. The expansion of Local Government's role can only augur well for the future growth and prosperity of the Family Islands for years to come.

There is no one-size-fits-all solution to existing problems. The archipelagic nature of this Commonwealth calls for government to ensure that essential services are accessible to all citizens of this country, it also calls for a deep understanding of the aspirations, goals and visions that each island community has for itself.

Local Government allows the Central Government to gain a deep insight into the needs of family and communities, to see their unique challenges, environmental, economic, social and cultural and to examine them in a broader context and to make decisions and implement solutions that will be of benefit to each Island and the Nation as a whole.

Mr. Speaker,

My Ministry is committed to ensuring that local government evolves in such a way as to ensure the economic, social, environmental, and cultural development of all now and into the future.