

# CariCRIS

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Credit Rating Services Limited



CariCRIS is the Caribbean's regional credit rating agency. It is a unique market-driven initiative aimed at fostering and supporting the development of regional debt markets in the Caribbean.

## Daily Newswire



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- Industry research

# Regional

## Trinidad and Tobago

### **Energy Ministry sources: No acid plant in Saudi Arabia's proposal**

The proposal by the Saudi Arabia's state-owned company, Saudi Basic Industries Corporation (SABIC), to build a methanol to petrochemicals complex does not include the construction of an acetic acid plant, according to sources at the Ministry of Energy and Energy Affairs.

### **Petrotrin upgrade to finish by June**

A promise that within a month the multi-billion dollar gasoline optimisation project (GOP) that is a crucial part of the overall upgrade of the Petrotrin refinery will be finally completed.

### **SMEs to be used to lure tourists to Pigeon Point**

The 60-acre Pigeon Point Heritage Park, known as one of Tobago's popular tourist attractions, with its coconut palms, shallow turquoise sea, a pretty jetty and long stretch of white sand, is expanding its reach to include several business ventures that would bolster the small and medium entrepreneurs (SMEs).

### **Trade consultant: T&T is Caricom's most open economy**

T&T has always been the Caricom country with the most open trade policies, says Larry Placide, director, international trade negotiation unit (ITNU), T&T Chamber of Industry and Commerce.

### **Economist Dr Ronald Ramkissoon: Local economy needs investments**

Although some countries survived the international economic crisis and have done well, the T&T economy suffered a decline during this same period from a lack of investment, says Republic Bank senior economist Dr Ronald Ramkissoon.

### **Unnatural gas**

Last week the Prime Minister announced another basket of goodies for senior citizens. Subsidies on water and electricity are coming on the back of an earlier promise of increased pension benefits.

### **Kamla promises big tourism push**

Prime Minister Kamla Persad-Bissessar said she intends to promote tourism and the unique eco resources of this country on her foreign missions.

### **Warner: Jobs for people of area affected by highway**

Hundreds of residents affected by the construction of the highway passing through Fyzabad, Mon Desir and Debe have been assured jobs on the worksite.

### **Insurance executive joins NFM board**

National Flour Mills (NFM) has appointed insurance executive Alimuddin Mohammed to its board of directors.

### **'Vacancies leading to high food prices'**

A NUMBER of vacancies for public health officers and Customs officers are part of the reason for the country's high food prices, Prices Council chairperson Wendy Lee Yuen said yesterday.

## **Jamaica**

### **Ian Fleming International Airport expanding to accommodate larger aircraft**

The Airports Authority of Jamaica (AAJ), operators of the Ian Fleming International Airport in Boscobel, St Mary, is gradually expanding the facility, according to President Earl Richards.

### **Gourzong reopens Trelawny attraction**

With thousands of tourists and locals visiting the parish of Trelawny weekly, particularly the town of Falmouth, to conduct business or to have fun, there have been calls for more attractions to be opened in the parish.

### **Jamaica must benefit from trade agreements, says senator**

Minister of Foreign Affairs and Foreign Trade, Senator A.J. Nicholson, has said that, while Jamaica respects its trade agreements, as a small, vulnerable economy, the country must also be able to benefit from these arrangements.

## **Barbados**

### **Row2Recovery member shares his key to success**

ALEX MacKenzie, one of the members of the Row2Recovery team, has underlined the importance of commitment, motivation and being focused in seeing a project through. He highlighted this at Tuesday's monthly meeting of the Barbados Entrepreneurial Foundation (BEF).

### **State help 'a must'**

In the current environment, it is almost impossible to pull off a project like Four Seasons without some kind of Government assistance or involvement. This is the argument of Professor Avinash Persaud, chairman of Paradise Beach Limited, the company working to get the stalled Four Seasons hotel and luxury villa project restarted after it stopped two years ago.

### **Holiday Inn is back**

BARBADOS' CRITICAL TOURISM SECTOR is getting an important boost, with the return of a big brand name. The United States chain Holiday Inn Resort will re-open its doors in Barbados in March.

## Venezuela

### **Venezuela and Trinidad discuss penal reform and offender management**

Venezuela and Trinidad and Tobago have commenced talks with a view to beginning cooperation in the area of penal reform and offender management.

## Belize

### **Exploration company provides confirmation of Belize oil find**

Treaty Energy Corporation, in follow up to its announced discovery of oil on the Stann Creek Field in southern Belize, has detailed its review of the first successful oil well strike by the company.

## Grenada

### **Caribbean Export launches regional business competition at UK-Caribbean Forum in Grenada**

Two regional companies, SMAKS the West Indian Tea Company and David Weekes and Associates are the first winners of the Caribbean Export Development Agency's Break Point.

## Montserrat

### **Potential for 750 new jobs with planned town development in Montserrat**

At least 750 new jobs will be created when Montserrat pushes forward on its development of a new town in Little Bay and upgrading its tourism product, says Governor Adrian Davis.

## Bahamas

### **\$10m Port IPO oversubscribed before public sector advance**

THE \$10 million Arawak Cay Port Development (APD) initial public offering (IPO) was already oversubscribed prior to the Government offering an interest-free salary advance for civil servants to purchase shares, Tribune Business was told prior to the offering's closure yesterday.

### **Broker clients want right to sue for \$25m**

CLIENTS of a failed Bahamian broker/dealer are seeking a Supreme Court order that would assign them the right to sue those deemed responsible for their collective \$24.5 million loss, fearing they may lose forever any prospect of recovering this sum.

## Guyana

### **Guyana awaits \$39M in sugar production aid from EU**

The European Union is giving Guyana a \$39.5 million grant to boost sugar production and renovate factories in the South American country.

## Dominican Republic

### **Dominicans like their taxman, again**

Dominicans again ranked the Internal Taxes Agency (DGII) first in prestige and credibility among all Government departments, according to the survey “Most Admired Companies in 2011,” published by the magazine Mercado (market).

### **Two local airlines default on debts in the millions, diariolibre.com reports**

All flight operations of the airlines Pawa Dominicana and Acerca from and to Caracas, Venezuela, Curacao and Aruba, were suspended because of millions in debts in the country, leaving passengers with booked flights stranded for several days in Las Americas International Airport, without any response from their executives.

### **Monthly salaries to US\$850.0 pay no Income Tax**

The monthly salaries up to RD\$33,326.00 (US\$850.0) will no pay Income Tax (ISR), according to the Internal Taxes Agency’s (DGII) Income Table on the adjustment for annual inflation. The measure retroactive to January 1 will mean extra money for workers, since the Income Tax will now be levied on those who earn RD\$2,443.92 more than that amount.

## Other – Regional

### **Caribbean Export launches regional business competition at UK-Caribbean Forum in Grenada**

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## International

## United States

### **American Airlines announces 13,000 job cuts**

The parent company of American Airlines (AA) says it will shed 13,000 jobs - around 15% of its workforce. AA's parent, AMR, wants to cut staff costs by 20% in a bid to reduce spending by \$2bn (£1.26, 1.52bn euros) and raise revenue by \$1bn a year.

## **U.S. Stock Futures Little Changed Before Data**

U.S. stock-index futures were little changed, erasing earlier gains, before a report that may show initial claims for jobless benefits in the world's largest economy fell.

## **United Kingdom**

### **UK manufacturing sector returns to growth**

The UK's manufacturing sector returned to growth in January, a survey has indicated, with overall activity at its highest level for eight months. The purchasing managers' index (PMI) from Markit/Cips recorded a level of 52.1 last month, up from December's revised reading of 49.7.

## **Europe**

### **Europe's debt crisis: Where things stand**

Germany, the richest eurozone economy, has proposed giving EU authorities veto power over Greek budget policies as a condition of more bailout money. Greece rejected the proposal as an infringement of national sovereignty, and other EU officials have ruled it out.

### **Deutsche Bank profits knocked by debt crisis**

Deutsche Bank has reported a sharp fall in profits after the eurozone debt crisis took its toll on the company's investment banking division. Net income at Germany's biggest bank in the final three months of last year was 186m euros (\$245m; £155m), down from 605m euros a year earlier.

### **Case for UK tax cuts is stronger, says IFS**

The argument for the chancellor to cut taxes to boost the economy is stronger than it was a year ago, according to the Institute for Fiscal Studies (IFS). Its Green Budget said the government could safely cut taxes temporarily, without worrying that the Bank of England would raise rates in response.

## **China**

### **China export and import demand dips amid global fears**

The demand for Chinese exports fell in January as global economic uncertainty continued to hurt consumer confidence. Latest government data showed China's new export order index fell to 46.9 from 48.6 in the previous month.

## **Tokyo**

### **Tokyo exchange temporarily halts trading of scores of stocks**

Investors were unable to trade shares in scores of companies listed in Tokyo for several hours Thursday after a computer problem at the city's stock exchange.

## **Other - International**

### **Japan carmakers' sales in US rise led by Toyota's Camry**

Toyota lost its position as the world's biggest carmaker to General Motors last year. Continue reading the main story. Global Car Industry Space for growth in Detroit. Electric cars' future unpredictable. Ford faces succession dilemma. Carmaker Ford's profits increase. Japanese carmakers have reported a jump in their US sales boosted by new models and the restoration of supply chains.

### **Stock markets rise on manufacturing data**

Promising figures for manufacturing output in economies throughout the world have boosted global stock markets. In the US, the ISM manufacturing index rose to 54.1, the strongest reading for seven months. A reading above 50 implies expansion.



**\* FULL ARTICLES \***



## \$10m Port IPO oversubscribed before public sector advance

Thursday 2<sup>nd</sup> February 2012 – Bahamas Tribune

THE \$10 million Arawak Cay Port Development (APD) initial public offering (IPO) was already oversubscribed prior to the Government offering an interest-free salary advance for civil servants to purchase shares, Tribune Business was told prior to the offering's closure yesterday.

Jamaal Stubbs, senior research analyst at CFAL, one of the IPO's placement agents, told Tribune Business: "We were oversubscribed prior to the government coming in. That speaks to how oversubscribed we are. The Government hasn't provided their listing of those civil servants who took advantage of the offering as yet."

Mr Stubbs said he expected a significant amount of subscriptions from within the public service. Tribune Business contacts in the Bahamian capital markets yesterday said that based on information they had received, more than 3,000 civil servants may have subscribed to the APD offering, although that could not be confirmed.

The same sources said the APD IPO was "well, well, well oversubscribed", some suggesting the total worth of all the applications could amount to \$15-\$20 million. They added that it could be a "record" IPO for the Bahamian capital markets in terms of having the broadest shareholder base.

Meanwhile, Mr Stubbs said: "We have continued to receive orders, and things have been going very well. The response has been favourable; people have been taking advantage of the offering. We have gotten orders from all walks of life. We have gotten broad-based support from the Bahamian people in terms of confidence in this deal."

Dispelling speculation that public servants would get first preference in the share allocation process, Mr Stubbs said: "Despite the rumours, public servants don't get first preference. Everyone is on the same playing field in terms of how the orders are applied. There is no preference to civil servants, and no preference to those who came early.

"Once all orders are in, the bottom-up process begins. All orders will receive the first 50 shares, and once we apply that across all orders, we would reapply the additional order of 25 shares and constantly repeat the process to get those small orders filled. What's left will be divided up with the larger orders."

The \$10 million IPO was launched back in December. The Government and private sector have each invested \$20 million into the Arawak Cay Port, and once the IPO is completed, the Government and private sector will each own a 40 per cent stake, with the public holding 20 per cent. A \$40 million private placement, scheduled for next year, is designed to replace the original line of Royal Bank of Canada credit financing taken out for the construction phase.

APD and its financial advisers/placement agents, CFAL and Providence Advisors, had initially hoped to launch the IPO in late September/early October, but discussions between the Government and private sector on how to structure it put it back to a December launch.

Prime Minister Hubert Ingraham announced earlier this month that the Government would be providing a salary advance to give civil servants an opportunity to invest in APD's IPO. APD shares are presently valued at \$10, and there was a minimum subscription of 50 shares or \$500 dollars for the IPO, with additional shares to be purchased in increments of 25.

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## Broker clients want right to sue for \$25m

Thursday 2<sup>nd</sup> February 2012 – Bahamas Tribune

CLIENTS of a failed Bahamian broker/dealer are seeking a Supreme Court order that would assign them the right to sue those deemed responsible for their collective \$24.5 million loss, fearing they may lose forever any prospect of recovering this sum.

Two separate clients have filed documents before the court requesting that Caledonia Corporate Management's court-supervised liquidator, Deloitte & Touche (Bahamas) partner Anthony Kikivarakis, assign to them the rights to pursue legal action against the broker/dealer's Canadian correspondent, Jitney, plus the four persons deemed responsible for the \$24.5 million loss.

Mr Kikivarakis is currently seeking directions from Chief Justice Sir Michael Barnett on how to resolve 13 matters essential to bringing Caledonia's liquidation to a close. It is understood that the latest hearing in the matter has been scheduled for the Supreme Court today.

Caledonia's clients fear that once the liquidation ends, the ability to sue Jitney and those whose trading created the \$24.5 million hole will be lost forever.

The liquidator was told at an early stage in Caledonia's winding-up, by former senior justice John Lyons, to not pursue Jitney and the others given that the broker/dealer did not have any funds to initiate legal actions. Instead, he was to focus his energies on reconciling and returning client assets.

Outlining the predicament, McKinney, Bancroft & Hughes attorney, V Moreno Hamilton, alleged in a January 18, 2012, affidavit that unless the Supreme Court ordered the liquidator to assign the right to the \$24.5 million claims to the clients, these would be "abandoned" once the liquidation ceased.

McKinney, Bancroft & Hughes is acting for the court-appointed US receiver of the Peter Rogan (Irrevocable) trust and RPP Finance Trust, which together lost just over \$5.5 million as a result of Caledonia's collapse into insolvency.

"According to the liquidator, Caledonia lost approximately \$24.5 million in funds of various fiduciary clients in this liquidation when Jitney Group/The Jitney Trade, Vincent de Rosa, George Georgiou, Karen Georgiou and Ron Wyles sold fiduciary assets to cover the overdrawn balance resulting from a margin call not responded to by Caledonia and its client, Ron Wyles," Mr Hamilton alleged in his affidavit.

"According to the affidavit of the liquidator, sworn on November 30, 2011, the loss to the Rogan Trusts resulting from the improper sale of fiduciary assets is equivalent to 22.4835 per cent of the total loss suffered by fiduciary clients affected by the Jitney loss.

"The liquidator has advised the court that Caledonia does not have sufficient funds to pursue the claims against Jitney. In these circumstances, unless an alternative arrangement is implemented the claims against Jitney arising from Caledonia's losses of approximately \$24.5 million would be abandoned upon the completion of the Caledonia liquidation."

So as "to preserve the actual or potential claims" against Jitney and the former four-strong Caledonia client group, Mr Hamilton said the summons, which his affidavit was supporting, proposed that the Supreme Court order that Mr Kikivarakis send a letter to all fiduciary clients.

This letter would describe the Rogan Trust receiver's proposal, which is to create a company that would be assigned the rights to sue Jitney and the de Rosa group. Fiduciary clients could then choose to participate in any legal action as a shareholder of the company, and potentially obtain upside if this results in any recovery.

But the Rogan Trust receiver's proposal is not the only one on the table. Richard Perdue, a retired Canadian attorney advising several Caledonia fiduciary clients, in an affidavit filed on behalf of one, Bayfield Holdings, also urged that it be granted an assignment of the rights to sue Jitney and the de Rosa group.

Detailing Caledonia's road to ruin, Mr Perdue alleged that Caledonia's clients were able to access the US capital markets to conduct securities trades via the company's correspondent relationship with Jitney.

Jitney allegedly held "millions of dollars" of Caledonia client funds. It then, in 2006, opened a margin account for two fiduciary clients, George Georgiou and Ron Wyles. The accounts were guaranteed by the former's wife, Karen, while de Rosa was described as "the puppet master" behind their plans.

De Rosa was alleged to own several companies whose shares were pledged as collateral for the Caledonia margin account. Some \$15 million worth of securities in over-the-counter stocks were promised, but Mr Perdue alleged that it was never adequately secured.

"The group used their Caledonia margin accounts to purchase stocks and take certain cash advances," he further alleged. "Contrary to their stated intentions, the group never sold any shares to institutional clients, nor did it transfer any funds to the margin account to cover the ever-increasing overdraft."

The overdrawn margin balance exceeded \$20 million by June 2007, and ultimately Jitney sold off the assets held with it by other Caledonia clients to cover the shortfall, plunging the Bahamian broker/dealer into liquidation.

Mr Kikivarakis had been prevented from initiating legal action against the de Rosa group without a Supreme Court order, and Mr Perdue alleged: "Up to the present time, the

liquidator has never requested assistance from the fiduciary clients to pursue the [de Rosa] group.....

"There is currently no official or unofficial authority pursuing the group nor any of its members..... If this is allowed to continue, those directly responsible for causing the overdraft and the clients' losses will never be called to account in Canada or in the Bahamas. A civil action against Jitney is currently underway in Montreal, but the defendants in that action are not members of the group, but rather, Jitney and its banker.

"The Caledonia liquidation is winding down, and I submit that this is the last opportunity for the fiduciary clients to bring those responsible to account. No other action to recover the money from those responsible is currently underway, or even contemplated.

"If the liquidator is unable or unwilling to fund an action, we submit that the fiduciary clients should be granted an assignment of Caledonia's rights to prosecute on its own behalf. We consider the lawsuit against the [de Rosa] group to be an asset of the liquidation that should be pursued for the benefit of those fiduciary clients who are willing to fund it."

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## [Guyana awaits \\$39M in sugar production aid from EU](#)

Thursday 2<sup>nd</sup> February 2012 – CBS

The European Union is giving Guyana a \$39.5 million grant to boost sugar production and renovate factories in the South American country.

A statement from the EU Tuesday says that it will sign the deal with state-owned Guyana Sugar Corporation in coming weeks.

Guyana is the Caribbean's largest sugar exporter, but its production has been affected by strikes, bad weather and a malfunctioning, \$200 million Chinese-built factory. Last year, Guyana had the lowest production in a decade with only 219,000 tons (199,000 metric tons).

Guyana is one of four Caricom trade bloc countries still exporting sugar to the EU and the U.S. It is still recovering from a 2005 EU decision to cut import prices for raw sugar by up to 36 percent.

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## [Energy Ministry sources: No acid plant in Saudi Arabia's proposal](#)

Thursday 2nd February, 2012 - Trinidad Guardian

The proposal by the Saudi Arabia's state-owned company, Saudi Basic Industries Corporation (SABIC), to build a methanol to petrochemicals complex does not include the construction of an acetic acid plant, according to sources at the Ministry of Energy and Energy Affairs. Ministry sources told the Business Guardian this meant that a key part in the strategy to make the country enter into the manufacture of pharmaceuticals was being lost with the project. Acetic acid or ethanoic acid is one of the world's most important chemicals and is used in a variety of products: textiles, food processing and pharmaceuticals. It is commonly known as vinegar. It is an important chemical used to produce downstream products. Acetic acid is considered a building block for a modern pharmaceutical industry, although it can be used for other applications, including in the food, polymer and polyester industries. Sources at the National Energy Corporation (NEC) told the Business Guardian that while acetic acid is one of the building blocks for the pharmaceutical industry, it is not the only route that can be taken to achieve the government's goal of a pharmaceutical industry.

In fact, they point out that the NEC is already in the process of putting together other projects, like maleic anhydride to bring a pharmaceutical industry to T&T. "The maleic anhydride project is something we have been working on for some time now and this is not something that is new. We are going after it as the building block of a pharmaceutical industry, so while there is no acetic acid plant in the SABIC proposal, that does not make the project less valuable." Cabinet sources indicated this lack of an acetic acid plant was also a point of contention between former energy minister Carolyn Seepersad-Bachan and Energy Minister Kevin Ramnarine. It was reported that Seepersad-Bachan argued that for eight years she had spoken about the need for the energy sector to be developed in such a way that it leads to the maximum value for the people of T&T, and that when matters come to Cabinet, she had a duty to ensure she was supporting a proposal she was comfortable with.

At the Maximising Melamine conference held in November 2010, Seepersad Bachan said: "We said that we were no longer looking at using just gas to convert into primary products. We said we would diversify the economy by going further downstream of methanol and ammonia and that we will encourage local ownerships and local entrepreneurs to participate in the energy sector." Last week Energy Minister Kevin Ramnarine brought a note to Cabinet in which he asked for approval for the award of two petrochemical projects to SABIC. The projects, estimated at US\$5.3 billion, are for the construction and operation of a methanol to petrochemical complex and a plant that would convert methanol to olefins, a synthetic fibre that can be used to make wallpaper, ropes and vehicle interiors. There was a major spat between Ramnarine and Seepersad-Bachan over the way the project was being brought for approval. Two of the contentious issues in Cabinet were the move by the Ministry of Energy to have it approved before a gas price has been agreed to and that the offer by SABIC was 36 per cent below the cost that the NGC pays for natural gas from its suppliers.

Ramnarine acknowledged that the Saudis had bid a price for the natural gas that was 36 per cent below the cost price, but insisted it was not the final figure. “You are damned if you do and damned if you don’t. We just have to move forward and develop the country,” Ramnarine told the Business Guardian. The minister argued that there appeared an effort to discredit the work that he has been doing, but he insisted that all that he has pursued during his seven months in office has been in T&T’s interest. SABIC beat out 12 other proposals for the construction of the methanol to petrochemicals complex, but it was the sole bidder in the methanol to olefins after two other competitors were disqualified. The matter was sent to the Finance and General Purposes Committee of the Cabinet. Cabinet is expected to approve the proposal today when it holds its weekly meeting.

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## [Petrotrin upgrade to finish by June](#)

Thursday 2nd February, 2012 - Trinidad Guardian

A promise that within a month the multi-billion dollar gasoline optimisation project (GOP) that is a crucial part of the overall upgrade of the Petrotrin refinery will be finally completed. It comes from Aleem Hosein, deputy chairman of the board, who, in a telephone interview with the Business Guardian on Tuesday, said the project was close to completion. “The board has been pushing the management hard on the project and the management has been trying to finally get it done and the gasoline optimisation project is close to completion and I would say it will be ready within a month’s time.”

Petrotrin’s GOP commenced in November 2005 under the Malcolm Jones-led board and was to be the first phase of the refinery upgrade. But the project has been mired in controversy with massive cost over runs and is more than two years behind schedule. Hosein acknowledged that the project started off at just over US\$300 million and the cost is now past US\$1.3 billion of an overrun of more than US\$1 billion. He said the board was focused on getting the project finished. “It is not secret that the project is well behind schedule and that there have been cost overruns, but we need to have the project finished or we would face grave difficulties to sell gasoline into the United States market where most of the gasoline goes.”

The GOP will enable the refinery to supply the regional and international markets with high quality environmentally-friendly gasoline.

The GOP consists of:

1. Installation of an isomerisation complex
2. Installation of a continuous catalytic reforming platformer complex
3. Installation of an alkylation unit and sulphuric acid regeneration plant
4. Upgrade of the fluid catalytic cracking unit
5. Installation of offsite facilities and upgrade of utility systems

According to Petrotrin the project’s benefits include:

1. Increased gasoline yield
2. Improvement of the quality of the gasoline pool through increases in the motor octane number (MON) ratings and reduction in aromatics and sulphur contents.
3. The project’s completion will also result in significant improvements in the refinery’s energy efficiency.

In a recent interview, Malcolm Jones defended the project, saying that it was necessary if the company was to stay in the refining business. He said while there were costs overruns and the project is well behind schedule, it is still financially viable.

Jones point appears to resonate with Hosein, who said the US market demanded the higher quality fuel and that the project will significantly increase the margins on the refinery. Petrotrin has argued that the project will lead to an improvement on its margins of up to US\$1.50 per barrel of product. “The refinery operates on the basis of margins and I will not be surprised that the margins increase to between Us \$1 and US \$1.50 which would mean that we could earn up to \$1 million more a day when this optimisation

is completed.” Hosein said the catalytic cracker had been taken out of service as the company moves to get it ready for the gasoline optimisation project to be completed. “The cat cracker was brought down for maintenance so that when the GOP is complete, they will be running at full throttle. They are all intertwined and we want to ensure that are all up to maximum capacity when we get going in a month’s time.” He said the ultra low sulphur diesel plant, which is also part of the refinery upgrade, should be ready by June 2012.

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## SMEs to be used to lure tourists to Pigeon Point

Thursday 2nd February, 2012 - Trinidad Guardian

The 60-acre Pigeon Point Heritage Park, known as one of Tobago's popular tourist attractions, with its coconut palms, shallow turquoise sea, a pretty jetty and long stretch of white sand, is expanding its reach to include several business ventures that would bolster the small and medium entrepreneurs (SMEs). These business ventures would include the main initiative: a confectionery operation, a heritage art exhibition galley and a nature trail. Dr James Armstrong, chairman of the Pigeon Point Heritage Park, said the main idea behind these business initiatives is to exclusively encourage and attract local SMEs to invest, focusing solely on promoting and selling Tobago's culture. Former owner of Pigeon Point, ANSA McAL, transformed it from a beach facility to a heritage park. In 2005, the Tobago House of Assembly re-purchased Pigeon Point for \$106 million. Armstrong said the Pigeon Point board has developed strategic plans to continue to build on the theme heritage to lure more tourists to sun-drenched Tobago. "Each visitor must have a unique Tobago experience. Tourists are calling for more than just sea, sand and sun, but an opportunity where they could connect and experience the traditions and culture of the island. So we plan to sell Tobago's culture as a business."

### Expanding SMEs

Armstrong stated that the main vision of the Heritage Park is to play a role for the business sector, which would seek to engage and accommodate SMEs in expanding their businesses. "The idea is to establish a heritage confectionery operation on site, where we identify SME's from the cottage industry to sell and supply small confectionery items that are unique to Tobago's culture. "We were hoping that it would have been up and running already as we have identified about ten to 12 vendors who are interested. But this business initiative requires a local business to operate the entire production on-site." Armstrong, a self-taught artist who hails from Tobago, said vendors must meet the required standards and guidelines set by Pigeon Point. "They must produce quality goods and be consistent in their delivery," said Armstrong, in an interview at his Maraval home two weeks ago. He explained that these products would be repackaged and given a Pigeon Point branding. "In the long-term, we plan to sell and market these branded products to supermarkets, then the region and eventually outside of the Caribbean. So there is export potential." He said this initiative would attract international visitors. For those who may be reluctant to lose their brand, Armstrong quickly dispelled their fears, saying they would have the opportunity to increase their production from a mere 1,000 packs of bene balls or sugar cake annually to about 100,000. "This is the problem we are having with SMEs in Tobago...they are not looking at the vision and long-term benefits."

### Locals sustaining park

Developing the Heritage Park to lure visitors so they can experience Tobago culture and cuisine may just be the life-saver for Tobago's struggling tourism industry. During the budget debate last November, independent Tobago senator Dr Victor Wheeler said there has been a dramatic 60 per cent drop in international tourist arrivals to Tobago over the past five years. Wheeler said tourist arrivals to Tobago have been declining since 2005,

when there was a total of 84,467 arrivals. He presented the following figures: “In 2006—83,460; in 2007—63,000; in 2008—56,000; in 2009—38,000 and, in 2010—34,391. When you compare this with the other Caribbean islands, we continue to see reduction in international tourist arrivals, while the other islands have recovered and are showing an increase albeit a small increase,” Wheeler said. On the cruise ship arrivals side, he pointed out a similar trend of decline for the island. He said that in 2009 there were more than 70,000 visitors, while the numbers dropped to 61,000 in 2010.

Although the hotel occupancy rate drop significantly since 2009 by 40 per cent, Armstrong said, Pigeon Point maintained its level of visitors. For 2010, the popular scenic beach facility attracted 120,000 local and foreign visitors, while the figure increased to 127,000 in 2011. Asked what he believed accounted for these sustained numbers, Armstrong said: “I think there is still a significant amount of people coming from the cruise ships, but apart from that, our numbers are coming from local tourism.” Armstrong said he believed there are more locals than foreigners sustaining the park. He said many locals who visit Tobago but stay with friends or family still visit Pigeon Point in southern Tobago because of its quiet ambience and relaxing environment.

#### Niche market: Weddings

Armstrong said another business initiative Pigeon Point is looking to draw on is that of seaside weddings, which, he added, is very lucrative and has great growth potential. Since the THA bought Pigeon Point from the ANSA McAL Group, Armstrong said the board had embarked on several renovation plans and there are now many requests for beach-style weddings. Armstrong said Pigeon Point hosts about eight weddings a month. “Among the different wedding packages available, one of our niche offerings is to market our authentic Tobago wedding, inclusive of the traditional attire, donkey cart ride and tambourine music, which can be recorded and sold. There would be a lot of spin-offs from this business venture, as it would benefit other aspects of the industry, like the hotels.

At a cost of \$1.5 million, the Pigeon Point board is also planning to construct 16 overnight cottages discreetly placed to accommodate the corporate community for retreats and the like, and a building to host wedding receptions. Construction is scheduled to begin in six months’ time. Armstrong said Pigeon Point is running behind on some of its projects. The nature trail should be completed in two months. When it reaches the lagoon area, the trail would be elevated at a rough cost of \$4 million.

#### Coastal erosion

The beach on the western side of Pigeon Point has been described as an active zone for coastal erosion. Despite this challenge, Armstrong said several projects are underway. He said that while Pigeon Point has lost a bit of its beachfront, most of the infrastructure is taking place on the northern side. Regarding funding for its projects, Armstrong said the facility has been financially self-sustaining. He was unwilling to divulge Pigeon Point’s annual revenues. “We meet our own costs. We do not have to go to the Government—only for special projects and problems, like the coastal erosion issue. Most of the initiatives we have engaged in are bankable projects, and we have already approach the

bank,” he said. The other alternative is to look for major partners or investors for some of these projects, Armstrong said.

Other projects include:

- An outdoor heritage art gallery where paintings on Tobago culture would be showcased and tourists can buy the originals or copies

Art pieces would be selected from winners of different competitions from childhood straight up to established artists.

Activities for visitors:

- Sea sports: para sailing
- Dragon boat racing, soon to become an annual event
- Non-motorised sports
- On-the-beach restaurant: Caribbean Kitchen would be offering heritage Tobago breakfast. Among the culinary offerings would be fast-disappearing traditions, such as grated cocoa tea.
- Unique teas, like soursop and rock sage, would be packaged, branded and sold to tourists.

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## Trade consultant: T&T is Caricom's most open economy

Thursday 2nd February, 2012 - Trinidad Guardian

T&T has always been the Caricom country with the most open trade policies, says Larry Placide, director, international trade negotiation unit (ITNU), T&T Chamber of Industry and Commerce. “Generally, as T&T’s trade is concerned, for a number of years, consistency has been the hallmark rather than change. Successive governments have pursued an open trade and investment policy for essentially the last 25 years. T&T is the most open Caricom economy. It has shown a commitment to Caricom that has not wavered and continues to be the economy most willing to engage in trade liberalisation with countries outside Caricom.” He indicated that the “so-called new generation” trade agreements signed by Caricom have largely been the result of initiatives from T&T. “It can be argued that this is essentially due to the nature of the T&T economy and the willingness of governments to seek new markets for its manufacturing sector, a sector which has dominated intra-Caricom trade, but which could use additional market access to expand production, export activity and earnings.”

Placide spoke about difficulties in implementing Caricom Single Market and Economy (CSME) obligations.

“Studies conducted for the Caricom states secretariat indicate an overall compliance level of only 64 per cent. For the movement of goods compliance is 80 per cent, movement of skills 66 per cent, movement of services 37 per cent and movement of capital 72 per cent. “While so many gaps remain in the effective implementation of their internal market commitments on services, Caricom states have been hesitant to include significant services liberalisation in their international negotiation engagements.” Despite this, T&T has been willing to engage in continuing external liberalisation. “One clear parameter has been to respect the framework set out by the Common External Tariff (CET). While, within Caricom, T&T has generally sought to promote changes in the CET, it has also exhibited a recognition of sensitivities built into the structure of the CET regarding protecting Caricom production and products which are used by Caricom governments for revenue purposes.”

Placide was speaking on Tuesday on the topic of trade at the American Chamber of Commerce of T&T (AmCham) monthly seminar at the Trinidad Hilton hotel, St Ann’s.

### Government’s trade policies

Placide listed some of the major trade policies outlined in the People’s Partnership trade manifesto:

- Implementing existing trade agreements in collaboration with Caricom
- Pursuing a more aggressive trade policy with Latin America
- Using the Caribbean diaspora to create beachheads into developed country markets
- Strengthening institutions that facilitate trade and protect consumers, like Customs, T&T Bureau of Standards (TTBS)
- Supporting the private sector’s market penetration initiative

Commenting on these, Placide said, “Clearly, strategy development has lagged.” “None of the policies mentioned above, like industrial, export or services, has been enunciated and, as such, roles and responsibilities remained blurred and contentious. There has been

little high level guidance or emphasis placed on the process. I do expect some of these will see movement during the course of the year because of activities at the Ministry of Planning.”

Placide said there has been little or no action in having trade specialists placed in foreign diplomatic posts.

“There is still no programme for the posting of trade attachés at missions abroad. What has been done to date differs little from the past with individual appointments being made.” He admitted that there has been some “progress” in strengthening trade-related agencies. “There has been progress at Customs, ASYCUDA has begun to be implemented. The TTBS has been active and has launched a technical barrier to trade (TBT) project that holds significant promise in helping businesses understand the importance of TBTs.” He also spoke about Mervyn Assam’s appointment as Ambassador Extraordinary and Plenipotentiary with Responsibility for Trade and Industry. “An ambassador based at the Ministry of Foreign Affairs and not at the Ministry of Foreign Affairs has been appointed. I do not need to say more about him, who is well known to the business community through his own business and his time as trade minister.”

#### Trading with Latin America

Placide spoke of different trade agreements with Latin countries and reported on their progress. “The negotiation with Panama began in January 2011 and lasted approximately six months and three negotiating sessions. The agreement has not yet been signed, but was submitted to the Council for Trade and Economic Development (COTED) at its meeting in November 2011. Member states asked for time to review the agreement and we are awaiting their response at the moment.” He said the agreement will liberalise some products immediately and others would receive immediate percentage reductions. “Some duties would be eliminated on a phased basis for periods up to ten years to each other’s markets. Generally, goods to receive preference into Panama include energy products, food and beverages and some household items.” He added that in the first quarter of 2011, Guatemala initiated contact with a view to a similar partial scope negotiation.

“The Ministry of Foreign Affairs wanted to commence negotiation immediately on conclusion of the Panama negotiation and began the preparatory work under the leadership of the Ambassador of Trade. We hope that the negotiation will commence shortly as well as move to completion at a pace similar to the Panama negotiation.” He also referred to Chile. “Chile has hardly received mention. It appears that the trade directorate is interested in new negotiations, particularly with Central America. Chile, engaged T&T before either Panama or Guatemala. It could be that there is not the same interest from the government of Chile after its change of government last year.” Placide examined trade agreements that have been concluded, but need to be streamlined. “We must not forget the Dominican Republic and Costa Rica agreements. Implementation issues bedevil these agreements and it is necessary also to seek to expand the coverage into areas not completed during the original negotiation.”

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## Economist Dr Ronald Ramkissoon: Local economy needs investments

Thursday 2nd February, 2012 - Trinidad Guardian

Although some countries survived the international economic crisis and have done well, the T&T economy suffered a decline during this same period from a lack of investment, says Republic Bank senior economist Dr Ronald Ramkissoon. “Following the international crisis of 2008, this economy declined for three consecutive years, 2009-2011, at an average rate of decline of about 1.6 per cent. This performance was weaker when compared to our peers and when compared to other countries,” he said. “Did Brazil, India, China, Russia, Oman and Malaysia decline for those years?” He gave statistics which showed the BRIC countries—Brazil, Russia, India and China—and others experiencing growth during this period.

Brazil had an annual growth of 3.5 per cent, India more than eight per cent, Oman 3.2 per cent, and Botswana 2.8 per cent. “The high growth rate in these countries were stimulated by high levels of investment in all cases. The message is that growth will not take place in T&T if investment fails to take place. I believe the connection is between investment and growth on one hand, and social amelioration on the other, but that is either not well understood nor appreciated by too many persons at all levels of society.” Ramkissoon was speaking on Tuesday on the topic of growth and investment at the American Chamber of Commerce of T&T (AmCham) monthly seminar at the Trinidad Hilton hotel, St Ann’s.

### 2011: A mixed year

He painted a picture of 2011 marked by social upheavals which impacted the economy. “During the last year, T&T had a new coalition government, intractable criminal activity, the fallout of what happened with Clico, industrial unrest and the economy. All of these were compounded by volatility in the external markets. Then there was the state of emergency, and while criminal activity was temporarily held back, activity in the non-energy sector, especially in retail and entertainment areas, were impacted.” All was not bad, though. Ramkissoon said there were good indicators at the year’s close. “Despite the overall 1.4 per cent in the overall economy in 2011, the year ended with reserves of \$9.9 billion, low inflation and good news came for those who invested in the stock market as the Composite Index rose by 31 per cent during the year, making this country the fifth best performing stock exchange in the world, according to Business Insider.

“Just a few weeks ago, Finance Minister Winston Dookeran reported that the fiscal deficit was not the initial estimate of \$7.7 billion and is now under \$4 billion. This is as a result of greater energy revenue, lower expenditure, for whatever reason, in the last fiscal year.” Ramkissoon is more optimistic about 2012.

“The Finance Minister estimates we will have \$26 billion in investment or 18 per cent of gross domestic product (GDP) and this will contribute to the renewal of growth in the economy. Our reserves are expected to remain at a reasonable level, keeping inflation under control and activity in the construction sector.

“In terms of energy, things started last year in terms of companies equipping themselves, drilling, which continues to increase, and we finally will be getting the (Point Fortin) highway project started and off the ground.”

#### Declining living standards

A lack of investments and a declining economy resulted in a decline in T&T's per capita income. “The fact is that output of this economy has contracted for three consecutive years. The previous three years, we were growing at an annual average of seven per cent. Not surprisingly, average individual incomes have also declined. The average income of each individual has declined for T&T at an average of six per cent annually over the two-year period compared to an average increase of 20 per cent for the previous period, an indication of how much lower we have gone over the last three years. Per capita GDP income has fallen from US\$21,000 in 2008 to US\$17,000 in 2011.” Ramkissoon believes this decline in living standards and purchasing power could lead to greater borrowing, which is not healthy for the economy.

“If national income has fallen one cannot expect to continue to increase spending for long. While borrowing does have a role in prudent financial management, greater borrowing without the necessary expenditure adjustments is certainly not the answer. Just witness the global turmoil over these issues which threaten another global economic collapse. “If we are to come out of the decline and address the issues that plague our society, we want to see the connect between growth and investment and these issues. Economic growth must be restored. Growth is important in any economy to provide jobs and tax revenue, all of which contribute to alleviating poverty.”

#### Growth through investment

The best way to stimulate growth is through investment, Ramkissoon contends. “Total investment as a percentage of GDP stand over the three-year period stand at an average of nine to ten per cent from close to 14 per cent over the previous three-year period. So there is a direct relationship between investment and growth in the economy. The amount of income that we earn every year as a country ranked against the United States or the United Kingdom, BRIC countries, and even Jamaica, the amount of income that we invest, according to World Bank data, is just under 20 per cent average for T&T. All those countries, for every year of the last five years, were higher than T&T. It seems as if our balance between investment and consumption is off and there must be greater emphasis on investment.” He examined the different types of investment that exists in T&T.

“T&T reflects a low investment ratio compared to other countries. There are different types of investment. There is foreign investment, Government investment and investment by domestic private sector. What we found over the last four to five years is that there was a fall in Government capital expenditure, but increase in recurrent expenditure. The kind of expenditure that will not generate growth.” “The question is what rate of growth is appropriate? There was some work done a few years ago by the Vision 20/20 Committee. That committee suggested then that if we were to become developed, we need to grow and have GDP per capita growth of nine per cent annually. The World Bank

expects developing countries to grow by 4.5 per cent in 2012. T&T is still developing country. But can we grow by something more than 1.7 per cent? We must move quickly to stimulate growth.”

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## Unnatural gas

Thursday 2nd February, 2012 - Trinidad Guardian

Last week the Prime Minister announced another basket of goodies for senior citizens. Subsidies on water and electricity are coming on the back of an earlier promise of increased pension benefits. In addition, there are also concessions on inter island travel above and beyond what is already in effect for travel in general. I am sure this will be most welcome by that particular demographic, especially given the fact that their purchasing power would have been cut by 50 per cent or more over the past few years as a result of double-digit inflation. It is now the experience of the population that the policies of the past administration have been inflationary in nature. In fact, alongside our high levels of economic growth has come high inflation, which has diluted the positive impact that such economic growth should have.

If inflation is seen as a tax on financial assets then the private savings in this country has been taxed to such a degree that the lost purchasing power is almost unrecoverable given the current interest rate environment, unless, of course, savers are now prepared to take on risky ventures. The inflation tax has continued into the term of current administration although not to the same extent. Let me also hasten to point out that the current lower levels of inflation is due more to the fact that we have had negative economic growth for the past three years than any decisive action by the politicians.

### Unsustainable

This, of course, brings us to another issue, which is that of current interest rates. The term financial repression is used to describe the scenario where short-term interest rates are below the level of inflation for an extended period and this has been the case in T&T for close to ten years. It is an unsustainable status, especially when one considers that for responsible savers the majority of their savings is directed towards their retirement years. Over the past ten years or so, the dynamic between interest rates and inflation has created a disincentive to save. Further, those who have still done what they needed to do to protect their welfare were “taxed” into a lower quality of life. The current “bag of goodies” on offer to senior citizens is probably an attempt to provide some measure of relief to regressive economic policies of the past. However, this is an attempt to rectify one unsustainable situation with another. In that regard, we would simply be creating another problem down the road.

The first thing we have to realise is that our demographics are not good. Appreciate that after factoring for infant mortality you need a fertility rate of 2.1 births just to replace the existing population (replace the mother and the father).

These are the people who have to fund the “bag of goodies” for the current generation when they retire. I am not sure that we are even hitting this number and, even if we were, the leakage of our young professionals to foreign shores both in search of opportunity as well as to escape inflated levels of crime means that we either need to adjust our fertility rate or have a better structured, proactive immigration policy. This is something that I called for in the 2011 budget, but has so far been ignored. If the status quo continues, then we will have less working people to fund either through contributions or taxes the

retirement of the next generation of seniors. Inflation also impacts this scenario as if people can afford less because of declines in their real income they will tend all other things being equal to have less children. This is likely to be true amongst the middle-class of the society.

The second point is that during the boom, capital got its due and this is evidence by the level of wealth on display in the country with multi-million-dollar homes and luxury motor vehicles on the roads. Labour, on the other hand, did not increase its productivity levels (based on various measurements of productivity) and were heavily taxed by inflation. This meant lower real wages and salaries and less available to the working-class to save for the future. Lower productivity was, in effect, subsidised by the State in the form of make work programmes and handouts. The system and cycle of subsidies has to date been supported by the energy windfall, but this is waning rapidly and, on current trends, the days of windfall revenues seem gone. The Minister of Finance has suggested he has placed the economy on a sounder footing and that we are on a path towards sustainable growth. It is worth noting that with each additional handout and subsidy programme, the timeline towards sustainable growth gets shorter.

Natural gas cycle

For the foreseeable future, the T&T economy remains heavily dependent on natural gas. The short-term outlook for natural gas suggests that we may be creating a heightened economic risk profile by continuing to build out subsidies and transfers. Natural gas prices closed last Friday at US\$2.76 per mmbtu, while Brent crude was at US\$111.46. The numbers show that oil is 40 times more expensive than natural gas. This is an anomaly as the historic average is ten times and is based on the concept that ten units of natural gas contain the same amount of energy as one unit of oil. This disparity has been so for some time and, logically, one would have expected that by now either oil prices would fall or natural gas prices would rise and so remove the energy arbitrage from the equation. The combination of geopolitical risk in the oil market, inflation-friendly policies by global central banks and a glut in supply of natural gas meant that the anomaly remains in place, so much so that if it continues, it may no longer be considered an anomaly. The relationship between oil and natural gas is gradually becoming unnatural.

An extremely mild winter in the United States has resulted in recent announcements of production cuts from natural gas producers such as Chesapeake Energy Corporation, indicating that the price of natural gas is now so low that, in many instances, it is below the cost of production. This supply glut is likely to continue as existing production runs its course, meaning that prices could go even lower before it reaches the bottom of the cycle. Of course, the upside is that once production cuts takes effect, investors can anticipate a rebound in prices, but that may not become manifest until 2013. A global slow down in economic growth is one possible headwind to this scenario. To be more specific, a slow down in Asia is likely to hurt the industry more than anywhere else as it is possible to get as much as US\$10 per mmbtu in places like Japan, still recovering from the loss of nuclear-powered facilities. Regardless of the price action, it is important for us in T&T to appreciate that the dynamics of the industry has changed. The US is no longer

the large importer of liquefied natural gas (LNG) and, in fact, is racing against other countries to supply LNG to the Asian markets in an attempt to offset its own supply glut.

Even the current model of attracting firms to our shores in order to utilise our gas in downstream products is under threat from places like the US and Qatar with their unique competitive advantages. The bottom line for us in T&T is that we are an economy in slow transition and our core engine of growth is stuttering in the face of global pressures. During the transition, we continue to build out a system of transfers and subsidies. Some may argue that this is necessary in order to maintain the required social safety net. My point is that regardless of the motivation, it is a risk to the economy. If the politicians are unable to deliver on today's promises as well as create the platform for a rapid and sustainable transition, then the population will view the hype as another kind of natural gas.

Ian Narine is a broker registered with the Securities and Exchange Commission.

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## [Kamla promises big tourism push](#)

Thursday 2nd February, 2012 - Trinidad Express

Prime Minister Kamla Persad-Bissessar said she intends to promote tourism and the unique eco resources of this country on her foreign missions.

She made the remark yesterday in delivering the feature address at the official opening of the Valencia visitor centre. The centre, located on the Valencia Main Road, is an initiative of the Turtle Village Trust in collaboration with the Tourism Ministry and private sector.

Phase one of the visitor centre was completed in seven months at a cost of \$1.3 million. The centre will offer tour services to visitors and in its second phase will see the construction of other attractions such as a playground, gazebos, board walk, food courts and more.

Persad-Bissessar noted that outside the Caribbean, there are other countries worldwide that are aggressively marketing their countries to attract tourism and this country must do the same through its unique eco resources.

Her Government, she said, is pushing tourism in a new direction—to generate sustainable jobs and revenue that this country badly needs.

"The tourism sector is a fiercely competitive industry and to succeed you must have a good product, strong marketing, outstanding service and, most of all, a supportive government," said Persad-Bissessar.

She said in order to achieve prosperity for all growth must be driven in other sectors other than the energy industry.

Government, she said, has been aggressively pursuing new tourism source markets such as Brazil, Russia, India and China as well through the appointments of new Overseas Marketing Representatives in several countries.

Cabinet, she noted, recently appointed a new board of the Tourism Development Company.

"I have high expectations of this new board as destination Trinidad and Tobago must become known all over the world," she said.

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## [Warner: Jobs for people of area affected by highway](#)

Thursday 2nd February, 2012 - Trinidad Express

Hundreds of residents affected by the construction of the highway passing through Fyzabad, Mon Desir and Debe have been assured jobs on the worksite.

The promise has come from Works and Infrastructure Minister Jack Warner, who said 7,000 jobs were expected to be generated from the project, which spans from San Fernando to Point Fortin.

Warner met with some dislocated residents on Monday at Petite Morne, Ste Madeleine, where a settlement is being developed to house those in the way of the 47-kilometre highway project.

One resident from Fyzabad told Warner, "There are a lot of youth who need jobs. I am a skilled operator. When you go to the contractors, they say they aren't hiring nobody from the area. I have to get work. I from the area. I want to work for the honour and glory of my country."

In response, Warner said, "Those jobs, the vast majority of them, are to go to the people of the area. I will not, sir, stand idly by and see you or anybody else not being given jobs if they can work."

Warner said the National Infrastructure Development Company Limited (NIDCO) office located in Debe, was now taking names for those who wanted jobs. Residents also asked whether there was State land available in Fyzabad for relocation.

An official from the Ministry of Works and Infrastructure informed that this was possible. Other concerns raised at the meeting included whether the section of the highway between Debe and Mon Desir was really necessary, and whether some residents with businesses and large acreages would be adequately compensated for their properties.

Warner assured residents that they would be fairly compensated by the State.

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### [Insurance executive joins NFM board](#)

Thursday 2nd February, 2012 - Trinidad Express

National Flour Mills (NFM) has appointed insurance executive Alimuddin Mohammed to its board of directors.

His appointment is pursuant to the powers given to the directors, under Section 77 of the Companies Act Chapter 81:01, to fill a vacancy among the directors of NFM.

Mohammed was elected by the directors of NFM at a board meeting last Friday. He was elected to fill the vacancy created by the death of director Mayanti Beharry, NFM said in a statement yesterday.

Beharry died on September 27 last year, NFM said in an e-mail response to the Express yesterday.

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## 'Vacancies leading to high food prices'

Thursday 2nd February, 2012 - Trinidad Express

A NUMBER of vacancies for public health officers and Customs officers are part of the reason for the country's high food prices, Prices Council chairperson Wendy Lee Yuen said yesterday.

She said the council was "alarmed" at the number of vacancies, noting that the human resource area was important in increasing efficiency at these agencies.

Lee Yuen also said many senior staff members in Government agencies were in acting positions where authoritative decisions were at times put aside or denied because they did not want to "rock the boat".

She was speaking at the new council's first public stakeholders consultation yesterday at the Banquet and Conference Centre of MovieTowne, Port of Spain.

The council was installed in December 2010.

She said there had been suggestions to address prices, including elimination of overtime for workers handling cargo to encourage higher production, and the implementation of electronic payment systems for speedy clearance of items.

Customs officer Deryck Cateau said the elimination of overtime was a "touchy issue", as it was necessary in some instances.

He noted that as public servants, Customs officers worked from 8 a.m. to 4 p.m. "The only way I see overtime being eliminated is double the Customs staff and have Customs working around the clock. Because a boat or plane does not land in Trinidad and Tobago between the hours of eight to four," he added.

He noted that many delays were caused by filing mistakes, including customers doing incomplete or inaccurate declarations and incorrect description of goods.

He said the department was slowly moving toward greater automation to increase efficiency.

Chamber of Commerce representative Anthony Agostini said there were reasons for add-on costs to food prices, including long delays to clear goods from Customs, security costs due to the general crime situation, lack of enforcement by police over bounced cheques, intermittent foreign exchange access and delays at Government departments.

Lee Yuen said the council has been accused in the past of being a "toothless bulldog", which was "quite accurate" as it had no direct control over prices, but noted that it made recommendations to Government ministries to make interventions where possible to reduce prices.

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## [Caribbean Export launches regional business competition at UK-Caribbean Forum in Grenada](#)

Thursday 2nd February, 2012 - Caribbean News Now

Two regional companies, SMAKS the West Indian Tea Company and David Weekes and Associates are the first winners of the Caribbean Export Development Agency's Break Point.

The regional business competition, which utilizes the Caribbean Forum-European Union Economic Partnership Agreement (CARIFORUM-EU EPA) to drive entrepreneurship, was launched at the recently concluded seventh UK-Caribbean Forum in St George's, Grenada.

Break Point will prove to be a practical mechanism for getting CARIFORUM companies and enterprises into the EU market under the EPA framework. It attempts to achieve this by giving the companies and enterprises opportunities for business-to-business relationship building and for jointly exploring investment and distribution partnership opportunities.

"For Caribbean Export this ushers in a new era of export capacity-building and enhancements, and is geared towards achieving our objective of building brands across the region that have the DNA to be globally competitive," commented David Gomez, senior advisor of market intelligence at Caribbean Export.

"Break Point represents a paradigm shift for the Agency in terms of how we assist companies in getting their goods and services to market. More importantly, this initiative fits perfectly with the three pillars of the Agency including trade and export development, innovation and competitiveness", Gomez added.

"The experience was extremely exciting and inspiring in terms of bringing like-minded individuals together with a common goal of wanting to strive for excellence", said Kiran Akal, creative director of SMAKS. "The team coaches were excellent and the competitors benefited from the guidance of the Caribbean Export team throughout the process."

"Break Point relieves a significant operational burden for young companies", commented the second winner, David Weekes, chief executive officer of David Weekes & Associates. "Overall this is a fantastic opportunity for regional firms to become adequately prepared for the global marketplace."

Break Point is supported by the European Union's (EU) 10th Economic Development Fund (EDF) Regional Private Sector Development Programme, and the UK Trade and Investment (UKTI). The initiative also received 500,000 GBP from the Department for International Development (DFID) as a part of their mandate to assist in the development of Break Point and facilitate the ability of regional companies to benefit from London 2012.

The priority areas for Break Point are agro-processing, alternative energy, sports, and technology products. During the launch, six regional businesses: Bio-Tech R&D Institute Ltd. (Jamaica), David Weekes and Associates (Barbados), Merkimport CXA (Dominican Republic), NutMed. (Grenada), SMAKS, The West Indian Tea Company (Trinidad and Tobago) and Xocolat (Dominican Republic) pitched their ideas to a panel of successful business persons and venture capitalists drawn from the Caribbean and the UK.

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## [Row2Recovery member shares his key to success](#)

Thursday 2nd February, 2012: The Barbados Advocate

ALEX MacKenzie, one of the members of the Row2Recovery team, has underlined the importance of commitment, motivation and being focused in seeing a project through.

He highlighted this at Tuesday's monthly meeting of the Barbados Entrepreneurial Foundation (BEF).

Speaking moments after the BEF's Damien McKinney again challenged entrepreneurs to stay focused on their goals, MacKenzie said that success in any endeavour can only result if one has a "clear sense of where you want to get to, you find a way to get there".

The event took place at the Plantation Theatre.

The team of war veterans, some of them bearing scars from the wars in Afghanistan and Iraq, recently arrived in Barbados having crossed the Atlantic on a mission to raise funds for charity.

Other members of the team – Will Dixon, Neil Heritage, Rory MacKenzie, Carl Anstey, and Ed Janvrin – made brief presentations and answered queries from the audience.

The topic of the evening's presentation was "Row2Recovery – The Atlantic Crossing: A story of inspiration and courage despite injuries and against the odds".

"It is very easy to run a contract, but when it comes to the crunch time you have to believe in yourself and this is what happened," he explained to the audience.

He was also full of praise for the team, who had played a role in seeing the project through. One of their goals was to raise one million pounds, but to date they have raised 750 000 pounds.

According to MacKenzie, "I have been in Afghanistan and in Iraq on my military experience, and I have never ever been in a project or on an endeavour where I have felt more challenged about whether we are going to be successful."

He said that every day something broke. "Every day something went wrong, and every day we were put in a position where individuals were questioning how they are going to get there," he told the audience.

"But the most important thing was there was never a point where anybody said this is impossible, we are not going to be able to do it, I think we should be rescued, or that we need to ask for help," he further related.

“We always found a solution and in the darkest days and there were a couple when we were very close to being let down by equipment, we were able to pull together and stay together and stay focused in finding a solution,” said MacKenzie.

Acknowledging that rowing the Atlantic is not an easy task, the men recounted having to battle treacherous waters, pounding waves, leakage of water into their boat, and trying to remain calm amid such adversaries.

Earlier, McKinney had said that they in the BEF believe they can put Barbados on the map by one day seeing this country become the entrepreneurial hub of the world.

“We are going to do that by 2020,” McKinney said.

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## State help 'a must'

Thursday 2nd February, 2012: Nation News

In the current environment, it is almost impossible to pull off a project like Four Seasons without some kind of Government assistance or involvement.

This is the argument of Professor Avinash Persaud, chairman of Paradise Beach Limited, the company working to get the stalled Four Seasons hotel and luxury villa project restarted after it stopped two years ago.

Persaud said there was a “lot of foolishness” being said of Government involvement in the project started by British developer and hotel owner Mike Pemberton, who has lived in Barbados for 30 years, and other business partners.

“We are in the greatest recession since the 1930s. There is almost no major strategic investment occurring anywhere in the world outside of Asia without some form of government support today.

There are 50 projects in the Caribbean and over 40 of those are stalled,” he told BARBADOS BUSINESS AUTHORITY.

The economist, who was sought out by the late Prime Minister David Thompson to get Four Seasons restarted after more than 500 people lost their jobs when it stalled, said the global financial turmoil had affected many hotel-based projects across the region.

“I am saying that we would like it to start without Government support. I am saying that in this environment, we have tried but everywhere around the world they are experiencing the same issues and governments have stepped up to the plate.

Largely a private operation

“There are few other projects of this kind going on in the Western Hemisphere without government support,” he contended.

Persaud said that Four Seasons had received state support because of the magnitude of its possible impact on the local economy, but it remained largely a private operation.

According to the executive chairman, the \$180 million Inter-American Development Bank loan was a commercial loan to Paradise Beach Limited, not to the Government of Barbados.

Furthermore, he rejected suggestions that by supporting the project, Government was in some way bailing out wealthy villa owners.

“Villa owners are not investors. People have this idea that these famous people are being bailed out – that the Simon Cowells are investors in the project. They are not. If we were a furniture shop it would be like we sold them something and have not delivered it,” Persaud noted.

He reported that Paradise Beach Limited was on the verge of securing the last \$10 million needed to restart construction at Four Seasons.

It has secured a \$60 million investment from the National Insurance Scheme, \$10 million from Four Seasons, and \$180 million from the IDB – in addition to the \$120 million Government-guaranteed loan from the ANSA Merchant Bank in Trinidad and Tobago.

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## [Holiday Inn is back](#)

Thursday 2nd February, 2012: Nation News

BARBADOS' CRITICAL TOURISM SECTOR is getting an important boost, with the return of a big brand name.

The United States chain Holiday Inn Resort will re-open its doors in Barbados in March.

It had ceased doing business here at the beginning of 1986, after 16 years of operation.

The popular hotel brand is returning to the former independent Grand Barbados Beach Resort, now operating under the InterContinental Hotels Group (IHG).

The relaunch programme is set to create a more contemporary brand image as part of the drive to increase quality and consistency across Holiday Inn's global portfolio.

News of the new opening was disclosed by Michael Herrmann, regional director of operations, Caribbean IHG, during last week's Caribbean Travel Marketplace in The Bahamas.

He told BARBADOS BUSINESS AUTHORITY that the 124-room hotel, together with the 382-room Holiday Inn Resort Aruba are the first Holiday Inn Resort properties to open in the Caribbean, offering a new hotel option for travellers in and to the region.

The seven-storey property will feature five luxurious pier suites overlooking the private 260-foot Victorian Pier at Bay Street.

The resort will be marketed as an ideal location for couples, singles and families. A special children's area and activity rooms as well as a full-service spa and a full array of water sports are part of the offering.

True to the Holiday Inn's heritage, the resort will also offer a Teen Zone with shuffle board and several board games for youngsters to unwind and entertain themselves. There will also be a KIDSSPREE Vacation Club component with an array of activities where younger children can have fun under the watch of professional care takers. The hotel brand's signature Kids Stay and Eat Free feature is expected to attract both local and overseas business.

Herrmann, who described Barbados as "an extraordinary, popular destination for leisure and business travellers", said this refurbished property on which millions of dollars will be spent "showcases new IHG resort options in the Caribbean".

IHG's first presence in the region dates back to the early 1960s with the opening of the InterContinental Ponce in Puerto Rico. Today there are 10 IHG-branded hotels in the Caribbean. IHG also has a total of almost 200 hotels in Mexico, Central and South America and the Caribbean.

The return of the Holiday Inn brand is expected to help with the promotion of Barbados, which has been moving to get the Four Seasons Villas and Hotel project going at Paradise, Black Rock while the country has also in recent times attracted Marriotts Courtyard brand.

Executive vice president of the Barbados Hotel

and Tourism Association (BHTA) Sue Springer welcomed the return of the Holiday Inn brand, telling BARBADOS BUSINESS AUTHORITY: “We are obviously delighted to have another brand

because it always adds more marketing clout to the destination, especially as Barbados is not really as well known as we think it is, especially in the American market.”

Springer hailed the return as a “positive development”, and pointed to the opportunity for human resource development as well as the advantage of marketing exposure afforded across the world through the chain’s network of international brands.

“This allows advertising of Barbados to go on-line across the world,” Springer said.

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## Venezuela and Trinidad discuss penal reform and offender management

Thursday 2nd February, 2012: Caribbean News Now

Venezuela and Trinidad and Tobago have commenced talks with a view to beginning cooperation in the area of penal reform and offender management.

Herbert Volney, Minister of Justice for Trinidad and Tobago, welcomed the Venezuelan ambassador, Maria Eugenia Marcano Casado, on Tuesday for discussions at the head offices of the Ministry of Justice.

The ambassador said she noted the fervour and commitment that Volney brought to the transformation of the criminal justice system in Trinidad and Tobago and indicated her government's desire to learn from the Trinidad and Tobago experience.

She further noted that the Chavez administration had, a year ago, also embarked on the implementation of a strategic plan to reform Venezuela's penal system and upgrade the levels of preparedness of their police service. In this regard, the ambassador noted that it may be beneficial for both countries to cooperate and share expertise and information to the mutual benefit of both states. Of immediate interest to her government, she noted, was Trinidad and Tobago's new prison rules policy.

In response, Volney indicated that Trinidad and Tobago would welcome the opportunity to share its learning, as both nations had embarked on a most important paradigm shift in the reformation of their respective criminal justice systems.

The ambassador also used the occasion to seek the assistance of the Trinidad and Tobago government with respect to the difficulties being experienced by 22 incarcerated Venezuelan nationals. She said that the offenders had the following concerns:

1. The long waiting time for the trial process to begin;
2. The long waiting time for appeals to be heard;
3. Access to medical care; and
4. The length of time it took for offenders in breach of Trinidad and Tobago's immigration laws as well as those who have come to the end of their sentences to be repatriated.

In replying to the concerns raised by the ambassador, Volney indicated that he would seek further information on each of the cases from the relevant authorities and advise on the best way forward.

The minister also gave the commitment to liaise with Trinidad and Tobago's Minister of Foreign Affairs with respect to beginning discussions on the development of a bilateral agreement to have Venezuelan citizens who are sentenced in Trinidad and Tobago to serve their time in Venezuelan prisons.

Trinidad and Tobago currently has a similar bi-lateral arrangement with the United Kingdom.

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## [Exploration company provides confirmation of Belize oil find](#)

Thursday 2nd February, 2012: Caribbean News Now

Treaty Energy Corporation, in follow up to its announced discovery of oil on the Stann Creek Field in southern Belize, has detailed its review of the first successful oil well strike by the company.

Stephen York, president and COO of Treaty Energy, stated, "Further review of the drilling samples from Princess/Treaty Well #2 on the Stann Creek Field confirms that the pay is a residual lime. Lime must be treated to enhance oil recovery. Standard treatment for lime includes treatment of the formation with additives to enhance inter-capillary wicking, which in return promotes oil flow to the well bore. Our independent logger made a visual analysis with microscope and blacklight and confirmed the presence of hydrocarbons. The logging equipment registered a steady increase, with a spike of associated gases through the lime pay-zone. The porosity was estimated to be from 8-12%. This is about average for a successful lime play well."

York added, "There have been numerous questions fielded in the last 72 hours. Here is a synopsis to curtail the speculation:

- This is not a BNE well. BNE wells from all indications have much higher gas drive reservoirs (with some H<sub>2</sub>S gas) and free flowed initially.
- The Princess/Treaty reservoir area was determined in size by satellite image and Chem-Tool. Pay-zone depth was determined from actual drilling and mud logging. Porosity and saturation were gauged visually and outside consultants using statistical modeling, with low-side parameters predicted a reservoir size of 6M barrels. This figure could grow depending on the trending of the reservoir.
- The first batches of samples were left in 90 degree sun and the gases, being lighter than the atmosphere, dissipated at an accelerated rate. At 1300' circulation become erratic, so sampling was not optimum, but the mud-logging data supported the initial mud samples.
- There were no asphaltenes (tar) present. (Asphaltene is solid residual and will not produce a sheen on mud or water)
- Successful lime play wells have been produce from porosity as low as 6%.
- Deeper pay-zones may exist and will be investigated."

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## [Ian Fleming International Airport expanding to accommodate larger aircraft](#)

Thursday 2nd February, 2012: The Gleaner

The Airports Authority of Jamaica (AAJ), operators of the Ian Fleming International Airport in Boscobel, St Mary, is gradually expanding the facility, according to President Earl Richards.

The airport observed its first anniversary last week Thursday with a fly-in of eight private aircraft, which was part of the Air Journey's TBM Tour 2012 that is celebrating 100 years of the TBM single-engine turboprop aeroplane.

A total of 27 persons came in for the celebration and spent the weekend in Ocho Rios.

Richards, speaking to reporters after the ceremony, said expansion of the airport, which is designed to accommodate small private aircraft, is being done gradually to accommodate larger airplanes, based on growing interest in the facility.

"What we have found is that we have more interest from larger aircraft than it was designed for, so we are making gradual improvements and extensions to make it capable of accommodating larger aircraft," Richards said.

He continued: "And we have interest from two groups to inspect the facilities who, the type of aircraft they want to fly here, requires us to extend the runway another 500 feet, and that would mean it would have to be extended across the north coast highway, which, of course, is a big decision, very costly. It would be, what we say, a game-changer for the airport because we would now be able to accommodate scheduled traffic, with aircraft that can accommodate 50 to 70 passengers. So it would change the whole nature of the airport and make it very busy so that we would have international traffic. So over time, with additional resources, we expect to keep improving this airport so that it would become a significant player in the tourism sector here."

The Ian Fleming International Airport, which was upgraded from an aerodrome and opened last year January, was designed to tap into the lucrative private and corporate aircraft sector, which Richards said was the largest sector of aviation in the world.

### First anniversary celebration

The airport's observance of its first anniversary coincided with Air Journey's celebration. Eight TBM 850, said to be the world's fastest single-engine turboprop aeroplane, touched down early Thursday afternoon. Former CEO of Cessna Aircraft Company, Jack Pelton, who led the group, was presented on the tarmac with a copy of Robert Davis' book, Jamaica By Air, by Captain Errol Stewart, CEO and director of operations at Caribbean Aviation Training Centre.

Later at the ceremony, Richards hailed the day as a special one, noting that the Air Journey TBM Tour 2012 coincided with the airport's first anniversary and Jamaica's 50th year of Independence.

Minister without portfolio in the Transport, Works and Housing Ministry, Dr Morais Guy, who spoke at the function, said the expansion of the aerodrome into an international airport has boosted not just intra-island travel but inter-island and international travel as well.

"We are delighted that you have chosen to share this historic milestone with us here in Jamaica," Dr Guy told the group.

"I am satisfied that the marketing efforts of the Airports Authority of Jamaica has in some significant way resulted in this. By your presence here this morning, and with the publicity that this event will no doubt give, we are showcasing to the world the potential of this airport, and I invite your organisation to spread the word about our facilities."

Also welcoming the group was Custos of St Mary A. A. Pottinger, and AAJ Chairman Mark Hart.

The anniversary cake was cut by Mark Hart, Carrole Guntley, Dr Morais Guy, and TBM Tour representative Sophie Pouille.

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## Gourzong reopens Trelawny attraction

Thursday 2nd February, 2012: The Gleaner

With thousands of tourists and locals visiting the parish of Trelawny weekly, particularly the town of Falmouth, to conduct business or to have fun, there have been calls for more attractions to be opened in the parish.

Millions of dollars have been invested into infrastructure in the area, particularly access roads and the cruise ship pier in Falmouth where thousands of tourists visit regularly, and attractions are necessary to lure the visitors away from the ships.

One Trelawny businessman, Johnny Gourzong, has answered the call and has reopened the Jamaica Swamp Safari Village, located along the main road, west of downtown Falmouth. The facility, which is owned by the Tourism Product Development Company (TPDCo), has been leased to River Raft Limited, owned by Gourzong, who operates the 'Rafting on the Martha Brae' attraction.

Rich and deep history

Established in 1971, the Jamaica Swamp Safari Village is a wildlife sanctuary, which sits on approximately 50 acres of the Salt Marsh wetlands, in Trelawny. It also has a rich and deep history, with several scenes for movies being filmed there.

Gourzong explains that the facility was reopened in December 2011, after much refurbishing and upgrading.

"What is on offer inside is viewing and mingling with animals, birds and fauna from Jamaica, as well as some rare and unique animals from across the region," he said.

"It is going to be a nice journey into wild Jamaica and the wild Americas," he added.

The first part of the journey involves a walk through the aviary, featuring birds of Jamaica, inclusive of some very rare ones, many of which are endemic to Jamaica.

"This aviary is approximately 120 feet by 100 feet by about 35 feet high, so it is quite large. It is so large that the birds almost get lost inside here," Gourzong said.

He described the aviary as a "birdwatcher's paradise," with many different birds flying about.

Also on show are animals and reptiles from Jamaica and the Americas, including the Jamaican coney, the agouti, tayra, grey fox, raccoon, capuchin monkey, iguanas and snakes, among others.

However, the main attraction are the crocodiles in the wetlands, which visitors will see being fed and handled, and they will even get an opportunity to handle the young ones.

Gourzong said the attraction is open to visitors every day, including public holidays, from 9 a.m. to 4 p.m.

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## [Jamaica must benefit from trade agreements, says senator](#)

Thursday 2nd February, 2012: Caribbean News Now

Minister of Foreign Affairs and Foreign Trade, Senator A.J. Nicholson, has said that, while Jamaica respects its trade agreements, as a small, vulnerable economy, the country must also be able to benefit from these arrangements.

“This means increasing exports; otherwise, free trade agreements will only lead to the accumulation of more debt by encouraging imports. This administration will therefore continue to require that trade agreements go beyond trade liberalisation and market access to embrace development issues,” Nicholson said.

He was addressing members of the diplomatic corps on Tuesday as part of activities to observe Diplomatic Week.

Nicholson said that Jamaica will continue to focus on the implementation of the CARICOM Single Market and Economy (CSME) and the CARIFORUM/EU Economic Partnership Agreement (EPA).

“In terms of negotiations, we expect to continue negotiation of the CARICOM/Canada Trade and Development Agreement and the Doha Round in the World Trade Organisation (WTO). Jamaica, however, as a small vulnerable highly indebted economy, must be able to benefit from the trade agreements which it negotiates. In exchange for opening our markets, we must be able to take advantage of reciprocal market access,” he argued.

The foreign affairs ministry is staging its 14th Diplomatic Week, which includes the customary presentation of diplomatic credentials to the governor-general or the prime minister, and the minister of foreign affairs and foreign trade, by high commissioners and ambassadors who have been newly appointed by their governments.

The presentations are an early feature of the week, since the diplomats must have presented their credentials and, in this way, participate as accredited representatives.

Between Tuesday and Wednesday, Prime Minister Portia Simpson Miller and her Cabinet ministers will address some 63 resident and non-resident ambassadors, high commissioners and charge d'affaires.

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## [Caribbean Export launches regional business competition at UK-Caribbean Forum in Grenada](#)

Thursday 2nd February, 2012: Caribbean News Now

Two regional companies, SMAKS the West Indian Tea Company and David Weekes and Associates are the first winners of the Caribbean Export Development Agency's Break Point.

The regional business competition, which utilizes the Caribbean Forum-European Union Economic Partnership Agreement (CARIFORUM-EU EPA) to drive entrepreneurship, was launched at the recently concluded seventh UK-Caribbean Forum in St George's, Grenada.

Break Point will prove to be a practical mechanism for getting CARIFORUM companies and enterprises into the EU market under the EPA framework. It attempts to achieve this by giving the companies and enterprises opportunities for business-to-business relationship building and for jointly exploring investment and distribution partnership opportunities.

“For Caribbean Export this ushers in a new era of export capacity-building and enhancements, and is geared towards achieving our objective of building brands across the region that have the DNA to be globally competitive,” commented David Gomez, senior advisor of market intelligence at Caribbean Export.

“Break Point represents a paradigm shift for the Agency in terms of how we assist companies in getting their goods and services to market. More importantly, this initiative fits perfectly with the three pillars of the Agency including trade and export development, innovation and competitiveness”, Gomez added.

“The experience was extremely exciting and inspiring in terms of bringing like-minded individuals together with a common goal of wanting to strive for excellence”, said Kiran Akal, creative director of SMAKS. “The team coaches were excellent and the competitors benefited from the guidance of the Caribbean Export team throughout the process.”

“Break Point relieves a significant operational burden for young companies”, commented the second winner, David Weekes, chief executive officer of David Weekes & Associates. “Overall this is a fantastic opportunity for regional firms to become adequately prepared for the global marketplace.”

Break Point is supported by the European Union's (EU) 10th Economic Development Fund (EDF) Regional Private Sector Development Programme, and the UK Trade and Investment (UKTI). The initiative also received 500,000 GBP from the Department for International Development (DFID) as a part of their mandate to assist in the development of Break Point and facilitate the ability of regional companies to benefit from London 2012.

The priority areas for Break Point are agro-processing, alternative energy, sports, and technology products. During the launch, six regional businesses: Bio-Tech R&D Institute Ltd. (Jamaica), David Weekes and Associates (Barbados), Merkimport CXA (Dominican Republic), NutMed. (Grenada), SMAKS, The West Indian Tea Company (Trinidad and Tobago) and Xocolat (Dominican Republic) pitched their ideas to a panel of successful business persons and venture capitalists drawn from the Caribbean and the UK.

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## [Potential for 750 new jobs with planned town development in Montserrat](#)

Thursday 2nd February, 2012: Caribbean News Now

At least 750 new jobs will be created when Montserrat pushes forward on its development of a new town in Little Bay and upgrading its tourism product, says Governor Adrian Davis.

Davis told members of the press last week that he was pleased with the progress being made to pursue the creation of a new master plan for the town.

A team of practitioners, led by consultant John Cox recently wrapped a 10-day working visit to map out several key deliverables for the master plan. They include an investment prospectus and a marketing strategy.

By the end of March 2012, the team is to have the costing and a full investment prospectus available for review. By June, the concept for the new town, which includes moving the port to Carrs Bay and building a hotel and a business/residential centre around Little Bay, is to be ready. An updated economic assessment is also to be submitted. This assessment will determine whether the UK government sees the project as a viable option for committing public funds.

Kato Kimbugwe, the DFID private sector representative, says that already there have been inquiries from the local community wishing to invest up to \$30 million in the new town. He added that people interested in taking advantage of the community development should position themselves now to do so.

The creation of a new port, a yacht marina and high-end villas and hotel will open many spin-off support services, the DFID official said.

By March 2013, Kimbugwe said the final design for the town should be complete with hard numbers.

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## [Tokyo exchange temporarily halts trading of scores of stocks](#)

Thursday 2nd February, 2012: CCN Online

Investors were unable to trade shares in scores of companies listed in Tokyo for several hours Thursday after a computer problem at the city's stock exchange.

The Tokyo Stock Exchange said it had suspended the trading of 241 securities, including shares of the electronics giant Sony, after problems with the exchange's market data systems.

Tokyo is one of the largest stock exchanges on the planet by total market capitalization and has more than 2,000 listed stocks.

The suspension began at 9 a.m. (7 p.m. ET Wednesday). A spokeswoman for the exchange said the affected securities had resumed normal trading at 12:30 p.m. (10:30 p.m. ET Wednesday).

Sony was of particular interest to investors after saying Wednesday that its chief executive, Howard Stringer, would step down. The company's shares fell as much as 4.8% in afternoon trading.

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## Europe's debt crisis: Where things stand

Thursday 2nd February, 2012: CCN Online

Germany, the richest eurozone economy, has proposed giving EU authorities veto power over Greek budget policies as a condition of more bailout money. Greece rejected the proposal as an infringement of national sovereignty, and other EU officials have ruled it out.

The risk is that Greece will miss a €14.5 billion bond redemption in March without more bailout money. That could lead to a disorderly default, a development that would have severe and unknowable consequences for the global financial system.

The lack of clarity on the debt reduction and bailout talks have raised calls for Greece's creditors in the "official sector" to provide some relief. The ECB, which holds an estimated €30 billion to €45 billion in Greek debt, is under pressure to forego profits on those bonds, as are individual euro area central banks.

Europe to S&P, Fitch: Who cares?

EU leaders on Monday called for a resolution to these issues "in the coming days" so that the private sector deal can be implemented by mid-February.

Meanwhile, investors have been growing worried that Portugal could be the next to face a default. Portugal's borrowing costs have spiked to record highs since the government's credit rating was cut to speculative grade by Standard & Poor's on Jan. 13.

New EU budget rules

EU leaders representing 25 members of the 27-nation group have agreed to sign a pact designed to increase fiscal discipline and strengthen political ties.

The terms of the pact include, among other things, a legally-binding balanced budget requirement with an "automatic correction mechanism," and a provision to make fiscal policies of individual governments subject to EU authority "ex ante," or before the fact.

Euro: Putting lipstick on the PIIGS

The 25 leaders hope to sign the pact at the next EU summit in March. But analysts say finalizing the new rules, which will require parliamentary approval in many cases, could take months if not years.

The goal is to help prevent a future crisis by ensuring that governments do not spend beyond their means and rack up unsustainable debts.

The pact represents a step toward a so-called fiscal union, which economists say is necessary for the long-term stability of the euro currency. But critics say the agreement does not address the immediate challenges in the eurozone.

## A stronger bailout firewall

To deal with the immediate challenges, EU leaders backed a plan this week to implement the European Stability Mechanism in July.

The €500 billion ESM, which was originally set to come into force next year, is a permanent bailout fund for euro area governments. It will replace the temporary European Financial Stability Facility, which is effectively maxed out and set to be phased out next year. EU leaders expect finance ministers to make the plan official at the next Eurogroup meeting in February.

The aim is to restore confidence in global financial markets about the financing of troubled member states such as Italy and Spain.

Borrowing costs for Italy and Spain have come down and both nations have enjoyed solid demand for short-term bonds this year. The improvement in Italian and Spanish bond markets coincided with aggressive moves by the European Central Bank, which poured nearly €500 billion into the banking system in December.

Can 'Super Mario' save Europe and America?

The ECB has also relaxed its collateral requirements and is set to offer more long-term loans in February, when banks are expected to borrow up to €1 trillion.

The unprecedented lending program is designed to prevent a deeper credit crunch in the banking system. Many European banks have struggled to secure funding from private sources amid concerns about their exposure to bad sovereign debt.

But analysts say the ECB's lending program may also be supporting demand for government bonds.

Europe's shaky economy

The latest phase of the debt crisis is playing out against a backdrop of declining economic activity across the eurozone.

The IMF expects the 17-nation region to suffer a mild recession this year as government cutbacks take a toll on growth. The dour outlook sets up a difficult balancing act for officials as they struggle to revive growth and reduce debt at the same time.

After Davos: Making the case for global optimism

EU officials have proposed measures to boost employment, support spending on infrastructure projects and help small businesses grow. But most governments have little room in their budgets to stimulate economic activity.

Economists say the weak economic backdrop raises the risk that a policy "accident" could drive another bout of volatility in financial markets.

The unemployment rate among young people in the eurozone stands at 22% in December, according to data published Tuesday by EU statisticians.

In crisis-hit Greece, youth unemployment is a whopping 47%, while nearly 49% of young people in Spain are out of work.

The exceptionally high levels of youth unemployment have raised concerns that additional austerity measures could give rise to social unrest.

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## [U.S. Stock Futures Little Changed Before Data](#)

Thursday 2nd February, 2012: CCN Online

U.S. stock-index futures were little changed, erasing earlier gains, before a report that may show initial claims for jobless benefits in the world's largest economy fell.

Qualcomm (QCOM) Inc., the world's biggest maker of mobile-phone chips, climbed 4.8 percent in early New York trading after raising its sales and profit forecasts for this quarter and the year. Las Vegas Sands Corp. (LVS) lost 0.7 percent even after profit excluding some items matched analyst estimates.

Standard & Poor's 500 Index futures expiring in March slid less than 0.1 percent to 1,319.7 as of 11:18 a.m. in London, after earlier rising as much as 0.4 percent. The benchmark gauge yesterday jumped the most in two weeks after data showed manufacturing gauges across the world increased. Futures (INDU) on the Dow Jones Industrial Average slipped 4 points, less than 0.1 percent, to 12,649 today.

"There may be a short-term correction," Kully Samra, who manages U.K.-based clients for Charles Schwab Corp., which has \$1.6 trillion of assets globally, said in a telephone interview today. "The way one client described it to me was that the U.S. is the best house in a bad street. Employment is something that will start to improve. It is happening slowly, but it is happening, that's the key thing."

Claims for U.S. jobless benefits fell to 371,000 last week from 377,000 the previous week, according to the median of 46 economist estimates in a Bloomberg News survey. The Labor Department will release the report at 8:30 a.m. New York time.

A report tomorrow may show the unemployment rate in January probably remained at 8.5 percent, according to economists' projections in a Bloomberg News survey. It dropped to the lowest level in almost three years in December.

### Qualcomm Forecast

Qualcomm rose 4.8 percent to \$62.40 in pre-market trading. Sales for the second quarter ending in March will increase to \$4.6 billion to \$5 billion. Revenue for the fiscal year will rise 25 percent to 32 percent to a range of \$18.7 billion to \$19.7 billion, the company said in a statement yesterday.

Las Vegas Sands lost 0.7 percent to \$49.81 in early New York trading. Profit excluding some items was 57 cents, matching the average of 23 analysts' estimates compiled by Bloomberg. The U.S. casino company also declared its first common stock dividend of \$1 a share, according to a statement yesterday.

Green Mountain Coffee Roasters Inc. (GMCR), the maker of Keurig brand single-cup pods and brewers, surged 22 percent to \$65.20 in pre-market trading. Net income in the three months ended Dec. 24 rose to \$104.4 million, or 66 cents a share, from \$2.41 million, or 2 cents, a year earlier, according to a company statement yesterday.

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## [Dominicans like their taxman, again](#)

Thursday 2nd February, 2012- Dominican Today

Dominicans again ranked the Internal Taxes Agency (DGII) first in prestige and credibility among all Government departments, according to the survey “Most Admired Companies in 2011,” published by the magazine Mercado (market).

The poll disclosed Wednesday in its January edition shows Internal Taxes followed by the ministries of the Treasury, Tourism, Education and Labor.

The market study asked 760 people to name their favorite companies last year, divided among the most admired in the branches of Communication and Technology, Automotive and Fuels, Finances, Importers and Industries, Services, Stores and Distributors, Construction, Energy, Health, Transport, Tourist-Entertainment and Foods, and Public Education.

It's the tax agency's third consecutive year in first place, in the poll by the magazine specialized in Dominican Republic's labor market and the economy.

The DGII also ranked eighth among Dominican Republic's 50 best companies to work in, in 2011, becoming the only Government agency within the Top 10 scale.

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[Two local airlines default on debts in the millions, diariolibre.com reports](#)

Thursday 2nd February, 2012- Dominican Today

All flight operations of the airlines Pawa Dominicana and Acerca from and to Caracas, Venezuela, Curacao and Aruba, were suspended because of millions in debts in the country, leaving passengers with booked flights stranded for several days in Las Americas International Airport, without any response from their executives.

News source diariolibre.com reports that the two carriers owe more than two million dollars just to the Dominican Civil Aviation Institute, and have commitments pending with the Airport Departments and the airports management company Aerodom.

In Pawa's case, the media outlet said the company even runs the risk that the U.S. authorities cancel its permit to fly to Mayaguez, Puerto Rico, because its pilots have their flight time expired and must renew it.

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## Monthly salaries to US\$850.0 pay no Income Tax

Thursday 2nd February, 2012- Dominican Today

The monthly salaries up to RD\$33,326.00 (US\$850.0) will no pay Income Tax (ISR), according to the Internal Taxes Agency's (DGII) Income Table on the adjustment for annual inflation. The measure retroactive to January 1 will mean extra money for workers, since the Income Tax will now be levied on those who earn RD\$2,443.92 more than that amount.

The current tax-exempt wage was up to RD\$30,880 monthly.

A RD\$30,950.00 salary had paid RD\$3.45 income tax and will now be exempt, whereas a RD\$50,000 wage paid RD\$3,041.42 and now pays RD\$2,501.43, for a monthly saving of RD\$539.99.

A RD\$65,000 monthly salary now pays RD\$568.47 per month; salaries up to RD\$33,350 will pay RD\$3.46 in taxes, taking into account the 7.76 % inflation in 2011.

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## [Deutsche Bank profits knocked by debt crisis](#)

Thursday 2nd February, 2012- BBC

Deutsche Bank has reported a sharp fall in profits after the eurozone debt crisis took its toll on the company's investment banking division.

Net income at Germany's biggest bank in the final three months of last year was 186m euros (\$245m; £155m), down from 605m euros a year earlier.

Revenues from investment banking fell by a quarter compared with a year earlier to 3.4bn euros.

Trading in bonds and shares were hit particularly hard by the debt crisis.

Volumes were down as uncertainty about the crisis and the wider economic outlook undermined investor confidence.

"The fourth quarter 2011 featured continued market uncertainty and lack of investor risk appetite leading to subdued market activity," the bank said.

"The European sovereign debt crisis had a particularly marked effect on activity levels in Europe, where Deutsche Bank has a substantial portion of its business."

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## [American Airlines announces 13,000 job cuts](#)

Thursday 2nd February, 2012- BBC

The parent company of American Airlines (AA) says it will shed 13,000 jobs - around 15% of its workforce.

AA's parent, AMR, wants to cut staff costs by 20% in a bid to reduce spending by \$2bn (£1.26, 1.52bn euros) and raise revenue by \$1bn a year.

AMR, which filed for bankruptcy protection in November, also wants to make changes to its staff pensions.

The 88,000 strong workforce is mostly represented by three main unions, which are opposed to the changes.

AMR said it plans to begin negotiations with the three unions shortly.

AMR lost \$884m in the first nine months of 2011, and on Tuesday disclosed a \$904m loss for December alone.

The company has lost more than \$11bn since 2001.

AMR's chief executive, Thomas W Horton said in a letter to employees: "We are going to use the restructuring process to make the necessary changes to meet our challenges head-on and capitalise fully on the solid foundation we've put in place."

'Dismay and outrage'

Mr Horton said in December that the company would emerge from bankruptcy with fewer workers.

"I expect dismay and outrage from our membership as details of the proposal are made public," said Laura Glading, president of the flight attendants' union.

Mr Horton said the planned cost-cutting moves will include restructuring debt and aircraft leases, grounding older planes, and changing workforce contracts, some management jobs will also go as part of the plans.

The biggest cuts - about 4,600 - are expected to be among maintenance workers. Baggage handlers could be cut by 4,200, while some 2,300 flight attendants, 1,400 management employees and 400 pilots would also lose their jobs.

The company also wants union approval to drop its traditional pension plans, which pay a defined amount of pension and covers 130,000 employees and retirees, and replace them with a "retirement account".

AMR's company pension funds are underfunded by billions of dollars and the company said on its website on Wednesday that it could no longer afford them.

AMR is the latest of several large US airlines to go through Chapter 11 bankruptcy protection in an effort to reduce costs and debt.

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## [Japan carmakers' sales in US rise led by Toyota's Camry](#)

Thursday 2nd February, 2012- BBC

Toyota lost its position as the world's biggest carmaker to General Motors last year  
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Carmaker Ford's profits increase  
Japanese carmakers have reported a jump in their US sales boosted by new models and the restoration of supply chains.

Toyota Motors saw its sales increase by 7.5% in January from a year earlier, helped largely by a 56% surge in sales of the new Camry.

Honda Motors reported a 9% jump, while Nissan's sales rose by more than 10%.

Natural disasters in Japan and Thailand last year had resulted in supply chain disruptions, hurting production and sales of Japanese cars in the US.

Overall US car sales jumped almost 20% in January raising hopes of a recovery in the sector.

"For the first time in several years, we are starting the year off with a warm and fuzzy feeling," said Jesse Toprak from TrueCar.com.

'Gratifying'

The disasters had seen Japanese carmakers suspend or curb production at their domestic as well as international production facilities in wake of a shortfall in parts.

The reduced production resulted in fewer cars being available for sale and longer waiting periods for some customers in key markets such as the US.

Honda motors said the restoration of its supply chain and its production facilities had helped it get the customers back in the showrooms.

"It's gratifying to see how many Civics we can sell when we actually have Civics to sell," said John Mandel, American Honda sales chief.

Analysts said sales are likely to increase further as carmakers ramp up their production and introduce new models in a bid to attract customers.

"It will be a great time to be a consumer going into 2012," said David Whiston an auto equity analyst with Morningstar.

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## Stock markets rise on manufacturing data

Thursday 2nd February, 2012- BBC

Promising figures for manufacturing output in economies throughout the world have boosted global stock markets.

In the US, the ISM manufacturing index rose to 54.1, the strongest reading for seven months. A reading above 50 implies expansion.

In the eurozone, Markit's purchasing managers' index (PMI) rose to 48.8, up from December's figure of 46.9.

European markets were up by about 2%, while in the US the Dow was up 1%.

"The US manufacturing sector gained further growth momentum in January, adding to a raft of business surveys around the world that have signalled a better than expected start to 2012 for many countries," said Chris Williamson, chief economist at Markit.

Jerry Harris, president of asset management at Sterne Agee, said the ISM index figure showed the US economy was "doing pretty good".

"It is better than last month, and very acceptable. Even though it was slightly below expectations it was a good number," he said.

European manufacturing

The eurozone survey found German manufacturing returned to growth, while the declines in Spain and Italy slowed.

"Euro area manufacturing has started 2012 surprisingly well, suggesting the region may avoid a slide back into recession," said Mr Williamson.

James Ashley at RBC said: "The latest survey readings suggest that conditions in the euro area manufacturing sector have begun to stabilise in recent weeks after a difficult end to 2011."

"Output in January was slightly stronger than in December, and employment levels were unchanged on the month."

The more optimistic data was reflected in the major European stock markets.

Germany's Dax index closed 2.4% higher, while the French Cac 40 was up 2%.

Markets were also helped by better-than-expected figures showing an expansion in Chinese manufacturing activity.

In the UK, where manufacturing activity was the strongest for eight months, the FTSE was up almost 2%.

As well as the factory figures, stock markets were also helped by some very strong rises in bank shares.

'Shallow recession'

Germany's PMI reading rose to 51, the highest level for six months.

In Italy, the manufacturing PMI reading rose to 46.8, the best reading for four months, while in Spain the reading of 45.1 was the highest for five months.

However, in France the reading fell to 48.5, and Greece's level of 41 implied that production there was falling at the fastest pace in the survey's history, Markit said.

Gilles Moec, co-head of European economic research at Deutsche Bank, said: "The rebound in the PMI strengthens a 'shallow recession scenario'. That the periphery also rebounded in January is probably the best message from this batch."

However, the Markit survey also found that new orders declined in all eurozone nations except for Austria.

"The concern is that new orders have yet to return to growth, even in Germany, suggesting that companies will be reluctant to expand capacity and take on more staff until signs of stronger demand have appeared," Markit's Mr Williamson said.

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## [China export and import demand dips amid global fears](#)

Thursday 2nd February, 2012- BBC

The demand for Chinese exports fell in January as global economic uncertainty continued to hurt consumer confidence.

Latest government data showed China's new export order index fell to 46.9 from 48.6 in the previous month.

The imports index also dropped to 46.9 from 49.3 in December, showing that domestic demand was slowing.

The data comes amid concerns over the impact of a global slowdown on China's economy.

Analysts said that Chinese exporters were being hurt by falling demand in key markets such as the US and Europe due to the ongoing economic problems in those economies.

"The economic situation in Europe continues to remain grim. It seems like the eurozone will not be able to avoid a recession in 2012," Stephen Joske of the Economist Intelligence Unit told the BBC.

"There is no doubt that China's exports will have a tough year ahead."

'Key thing'

China has relied on the success of its manufacturing and export sector to power economic growth in recent years.

Continue reading the main story "Start QuoteEven though demand is slowing we don't see any major economic crisis building up"

End Quote Stephen Joske Economist Intelligence Unit

But as growth abroad slows, China has been trying to boost demand for its products at home in an effort to rebalance its economy internally.

"The key thing really for the Chinese economy is domestic demand," the Economist Intelligence Unit's Mr Joske said.

However, encouraging domestic demand has brought some challenges along with it.

Consumer prices in China rose sharply in the first half of last year. At the same time, there were fears about the formation of asset bubbles within the country.

As a result, authorities implemented measures to contain consumer price growth and cool down the nation's property market. Analysts said these measures have started to take effect and may slow growth in short term.

"Even though demand is slowing we don't see any major economic crisis building up," Mr Joske added.

"We are likely to get one or two bad quarters, but growth for the whole year should be robust by global standards."

The data showed that China's purchasing managers index rose to 50.5 from 50.3 in December, indicating a slight expansion in the manufacturing activity.

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## Case for UK tax cuts is stronger, says IFS

Thursday 2nd February, 2012- BBC

The argument for the chancellor to cut taxes to boost the economy is stronger than it was a year ago, according to the Institute for Fiscal Studies (IFS).

Its Green Budget said the government could safely cut taxes temporarily, without worrying that the Bank of England would raise rates in response.

But the IFS warned a big tax cut would risk undermining investor confidence.

It also warned that the current risks to the economy meant that there was little scope for long-term tax cuts.

It cited the pressure on health and pensions spending caused by the ageing population as putting long-term strain on the public finances.

The IFS predicted that government departments would borrow about £2.9bn less in the current financial year than the latest official forecasts suggested, but warned that risks to the economy from dangers such as a growing crisis in the eurozone could mean that borrowing has to be increased.

The IFS releases its Green Budget every year before the actual Budget. It suggests measures that the think tank considers should be included in the chancellor's plans.

George Osborne is due to deliver his Budget on 21 March.

Room for manoeuvre

"The chancellor faces his third budget with the economy and public finances in considerably weaker shape than he had hoped a year ago," said Paul Johnson, director of the IFS. "His room for manoeuvre is further curtailed by risks that the economy might do even worse than expected, especially if the eurozone should break up."

The Green Budget also includes forecasts from Oxford Economics, which predicts that the UK economy will grow by 0.3% in 2012, less than the Office for Budget Responsibility's projection of 0.7%.

But it warned that "a eurozone crisis would see the UK back into deep recession", with the economy contracting in both 2012 and 2013.

Means testing

The IFS criticises the government's plans to withdraw child benefit from households with a higher-rate taxpayer from 2013, on the grounds that it would create a "cliff-edge" that would mean 170,000 families could increase their income by earning less.

The think tank suggests that the government should instead gradually reduce child benefit as household income rises, using the existing means-testing system that is used to pay child tax credit.

It says that the current public sector pay freeze and planned two years of 1% increases will return public sector pay to the same position it was relative to private sector pay before the recession.

But it also suggests that there is a strong argument for moving towards more regional differentiation in public sector pay.

The IFS says that in some regions, public sector workers are paid on average 18% more than their private sector counterparts.

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## [UK manufacturing sector returns to growth](#)

Thursday 2nd February, 2012- BBC

The UK's manufacturing sector returned to growth in January, a survey has indicated, with overall activity at its highest level for eight months.

The purchasing managers' index (PMI) from Markit/Cips recorded a level of 52.1 last month, up from December's revised reading of 49.7.

A reading above 50 indicates the sector is expanding.

The survey found a sharp increase in output, a rise in new orders and a fall in costs faced by manufacturers.

New export orders continued to increase, and Markit/Chartered Institute of Purchasing & Supply (Cips) said companies had reported that UK customers were increasingly willing to spend.

"The UK manufacturing sector has sprung to life in the first month of 2012 to defy any economic gloom, but it is too early to say whether this trend is sustainable," said David Noble, chief executive at Cips.

Howard Archer from IHS Global Insight said: "This suggests that there is a very decent chance that the manufacturing sector will return to growth in the first quarter of 2012 after contributing significantly to overall GDP contraction of 0.2% quarter-on-quarter in the fourth quarter of 2011.

"However, whether or not the UK can avoid further contraction in the first quarter will depend mainly on what happens to services output and consumer spending."

The PMI figure for the service sector- which accounts for about 70% of the UK economy - will be released on Friday.

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