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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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Or email: newswire@caricris.com

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Caribbean Information & Credit Rating Services Limited (CariCRIS)

3rd Floor, Furness House
90 Independence Square
Port of Spain, Trinidad
Tel: (868) 627 8879
Email: info@caricris.com
Website: www.caricris.com



Caribbean Information & Credit Rating Services Limited

CariCRIS is the Caribbean's first credit rating agency. Established in 2004 by the major financial institutions, central banks and multilateral development institutions in the region, CariCRIS provides to bond issuers, investors and financial market regulators, national as well as regional scale credit ratings which measure the relative creditworthiness of entities in individual countries as well as in the region as a whole.

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- Regional Scale and National Scale credit ratings of sovereigns, banks and other financial institutions, insurance companies and manufacturing/service companies
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- Industry research

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- Determination of capital requirements for insurance companies, banks and financial institutions
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- Significant improvement of overall market efficiency through increased information and transparency



Wayne Dass, CFA
Chief Executive Officer
Tel: (868) 625-3007
Mobile: (868) 681-8002
Email: wdass@caricris.com



Arjoon Harripaul
Head – Ratings
Tel: (868) 627-8879 ext 227
Mobile: (868) 497-4104
Email: aharripaul@caricris.com



Sherry Ann Persad
Senior Rating Analyst
Tel: (868) 627-8879 ext 228
Mobile: (868) 706-6510 Mobile:
Email: spersad@caricris.com



Andre Joseph
Senior Rating Analyst
Tel: (868) 627-8879 ext 229
(868) 788-4693
Email: ajoseph@caricris.com

Regional

Jamaica

LIME to bundle popular products with faltering fixed line service

Mobile and broadband offers the greatest scope for business growth, but LIME Jamaica still earns most of its cash from its fixed line operations, according to president Garfield Sinclair.

Sinclair demands regulatory protection in high stakes telecoms market

As an investment banker his tone was fairly modulated. But inside Jamaica's take-no-prisoners telecoms market, Garfield 'Garry' Sinclair is confrontational, direct and stoked for a fight.

Citi launches prepaid bank card in Jamaica

Citigroup's customised prepaid card issued to persons who do business with the banking group's corporate clientele, whether as employees, customers or sales agents, was launched in Jamaica at the top of the month.

Hill suggests radical break from manufacturing

Businessman Stephen Hill said Tuesday that Jamaica has no future in manufacturing against large markets with greater economies of scale and should power down its plants to focus on sectors in which it has comparative advantage.

Mortgages up marginally

Mortgage providers did marginally higher business last year, according to the National Land Agency (NLA), which registers all new transactions. New mortgages registered were 2.5 per cent higher at 12,138, compared to the 11,834 registered in 2010.

JPS: LNG power plant to cut US\$300m from oil bill

Jamaica can slash oil imports by US\$300 million annually or roughly 10 per cent based on the implementation of Jamaica Public Service Company's (JPS) planned 360-megawatt power project, says the utility's chief financial officer Dan Theoc.

Jamaica eyes India for BPO investments

Hoping to secure a piece of the business process outsourcing (BPO) market, Jamaica plans to sell itself to businesses in India as a near-shore access point to the United States with the added advantage of an English-speaking workforce.

Finance Minister Phillips' very difficult task

AT first glance, Jamaica's current fiscal situation, as revealed by Finance Minister Dr Peter Phillips at Wednesday's Jamaica House post-Cabinet press conference, looks significantly worse, or as he put it "disastrously off track", than many expected.

Jamaica cont'd

Kingston's Wyndham Hotel up on the block

Caribbean Business Report understands that the Wyndham Hotel, located in New Kingston, is the subject of interest to prospective purchasers both locally and abroad.

Trinidad & Tobago

US\$6b Saudi project explained to US

Energy Minister Kevin Ramnarine said yesterday his Ministry responded to concerns raised by United States Ambassador Beatrice Wilkinson Welters over proposed energy projects worth US\$5.7 billion with Saudi Arabian state company SABIC.

Cabinet green-lights SABIC negotiations

Cabinet yesterday agreed to give the Ministry of Energy the green light to start negotiations with a consortium of Saudi Arabian and Chinese companies on its proposal to construct two petrochemical complexes totalling US\$5.3 billion, Energy Minister Kevin Ramnarine said yesterday.

20 years before shale gas production

The need for natural gas exports to the United States will be eliminated over the next 20 years as they increase production of shale gas.

Digicel first to offer carrier billing

Digicel is the first provider in the Caribbean and Panama to integrate carrier billing with BlackBerry App World™.

CAL blamed for LIAT's woes

Trinidad and Tobago's Caribbean Airlines Limited (CAL), is being blamed for the financial and other woes now afflicting regional airline LIAT.

NFM appoints a new director

National Flour Mills Limited (NFM) has appointed Alimuddin Mohammed to its Board of Directors 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.

Dealing with Industrial Action

This is an issue that has long grabbed headlines in the media and has been the subject of many requests for advice from employers therefore we see it fit to provide guidance on the issue.

Barbados

No 10% cut, says Sir Roy

The head of the island's largest trade union has said no way to a controversial ten per cent pay cut proposal made by businessman Andrew Bynoe. Barbados Workers' Union general secretary Sir Roy Trotman contended yesterday that Bynoe's proposal was off target and not well thought through.

Time to pass the Freedom of Information Act

The Leader of the Opposition recently published a statement calling for greater transparency with respect to the Four Seasons project, following the publication of selected information by the project's chairman. We should all welcome greater transparency and accountability in relation to the spending of public funds, subject to the need for confidentiality of commercially sensitive information.

Business ops in recycling

More factories in Barbados should process recyclable materials and turn them into new products. This was one of the ideas coming out of a CoRe Network Recycling Made Easy workshop, hosted recently by the Future Centre Trust at Pax Hill, Belmont Road.

BICO looking forward to a better year

There's light at the end of the tunnel for BICO, says Chairman Edwin Thirlwell. After experiencing a challenging 2011 due to static sales and revenues combined with rising overheads and operating expenses, the manufacturer and distributor of ice cream is looking forward to the remainder of the 2012 financial year in which margins are expected to improve significantly.

Tourism team planning for tough summer

While some worry has been expressed over the effect that the Summer Olympic Games is going to have on tourism in Barbados, Minister of Tourism, Richard Sealy, assures that measures will be put in place.

Cuba

PetroCaribe investments expand in Cuba

Investments to expand oil refining capacities in Cuba have advanced with the cooperation projects for regional integration boosted by PetroCaribe in the field of energy. This initiative promotes the expansion of the refineries of Hermanos Diaz, in Santiago de Cuba, and Camilo Cienfuegos, in Cienfuegos.

Peruvian airline inaugurates Lima-Havana route

The LAN Peru national airline inaugurated on Thursday a route that will link Lima and Havana, Cuba. Officials of the tourism ministry said that opening the route will be an A319 aircraft with a capacity of 135 passengers, among them top level executives, and that it will fly three times a week.

Belize

Belize joins the Salud Mesoamerica 2015 Initiative

On Thursday, Belize joined the Salud Mesoamérica 2015 Initiative (SM2015) -- a project that aims to reduce maternal and infant mortality among the poor, benefiting more than 30,000 young women and children.

'LESS THAN JUNK': S&P lowers Belize's credit rating deeper

ONE of the leading international credit rating agencies has downgraded Belize's credit status a notch deeper into junk territory, despite giving an improved outlook on the economy.

Bahamas

POMPEY PARK CONSTRUCTION PLANS 'MOVING FORWARD'

PLANS are "moving forward" toward the construction of Pompey Park at the western end of Bay Street, said Nassau Tourism Development Board chairman Charles Klonaris.

Swain warns: 'We can't continue at this same pace'

GREATER efforts need to be made in attracting new businesses to Grand Bahama and reducing the cost of doing business to help boost its ailing economy, the island's chamber of commerce president John Swain said yesterday.

GOVT, AVIATION UNION URGED TO RESOLVE OUTSTANDING ISSUES

A LEADING Bahamian aviation executive yesterday urged the government and the air traffic controllers union to 'look at the bigger picture' and resolve their outstanding issues, stating any industrial action by the union would have a crippling effect on the Bahamian aviation industry.

SANDALS EXPECTING 10% INCREASE IN BOOKINGS

SANDALS Royal Bahamian is looking at a 10 per cent increase in bookings, says general manager Patrick Drake.

Haitian president urges Bahamian investment in Haiti

Haiti is focused on job creation and attracting foreign investors to help stem the flow of immigrants out of the country, Haitian President Michel Martelly said on Wednesday during a visit to The Bahamas.

Dominican Republic

Industries eye 5 year plan to spur growth, formal jobs

The industrial and free zones sectors have been working during one week to stage the Dominican Industry's 2nd Congress, aimed at developing a five year strategy to spur the sector's growth and formal jobs.

Dominican Republic cont'd

“Disproportionate” jumps in construction materials worry suppliers

Hardware Store Association president Domingo Diaz today said the sector is concerned with sharp jumps in construction materials, including cement and rebar, which he called “disproportionate,” while their sales have fallen 40%.

Guyana

Bakewell blames retailers for not applying ‘first in first out’ method

CUSTOMERS purchasing Bakewell bread and tennis rolls that are mildewed or stale is largely as a result of retailers not applying the “first in, first out” method when selling the commodity.

REPSOL commences offshore drilling

Minister of Natural Resources and Environment, Robert Persaud, yesterday, announced that offshore drilling activities by REPSOL commenced on February 7, while CGX, another oil giant, is set to start its operations by the end of next week.

Haiti

Haitians told 'form voting bloc' in The Bahamas

Haitian President Michel Martelly on Wednesday urged his countrymen to form a voting bloc in The Bahamas and align themselves with the political party that will best serve their interests.

Haiti making progress on rule of law but faces serious challenges, says UN expert

Haiti has made some progress in restoring the rule of law, the United Nations independent expert on the human rights situation in the Caribbean country said on Wednesday, citing as examples the appointment of the president of the highest appellate court and the upcoming establishment of the supreme council of the judiciary.

Haiti making progress on rule of law but faces serious challenges, says UN expert

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Grenada

Grenada Gets Top Rank for Investment Promotion, Bests Trinidad and Jamaica

Grenada's Industrial Development Corporation has been ranked first among 77 investment promotion institutions in Africa, Caribbean and the Pacific, according to the Global Investment Promotion Benchmarking 2012 report, a joint effort by the World Bank Group.

Saint Lucia

CAL launches in St Lucia

Today is a busy day for Caribbean Airlines. Three history-making events are scheduled to take place, all at Piarco International Airport.

Other – Regional

Caribbean governments backtrack on Falklands blockade

Just days after the Commonwealth Caribbean countries of Antigua and Barbuda, Dominica and St Vincent and the Grenadines were among ALBA members that had reportedly agreed to block any ships flying the Falkland Islands flag from docking in their ports, the Antigua and Barbuda government has distanced itself from any such agreement.

Firm stance on CLICO

With judicial managers in Barbados and Trinidad and Tobago trying to sort out the CLICO collapse, Grenada is keeping a close eye on the court actions in Bridgetown and Port-of-Spain.

International

United States

First-time unemployment claims sink to early-recession levels

In another sign that the job market is gaining momentum, the number of workers filing for unemployment benefits fell further last week — down to levels last seen in the early months of the recession.

United Kingdom

U.K. Output Prices Rise More Than Forecast

U.K. factory-output prices rose more than economists forecast in January, led by increased costs for alcohol, petroleum products and clothing.

China

China economy shows strain, policy shift eyed

China betrayed signs of spluttering domestic demand on Friday as imports crumbling to their lowest in more than two years and weaker-than-forecast bank lending signalled to investors that policymakers would soon make a fresh bid to bolster growth.

Other - International

Oil Falls From Three-Week High as Greece Counters U.S. Economy

Oil fell from the highest level in three weeks, trimming a weekly advance, as concern that Europe's debt crisis will worsen and global commodity demand is weakening countered signs of recovery in the U.S. economy.



*** FULL ARTICLES ***



POMPEY PARK CONSTRUCTION PLANS 'MOVING FORWARD'

Thursday 9th February, 2012 - The Tribune

PLANS are "moving forward" toward the construction of Pompey Park at the western end of Bay Street, said Nassau Tourism Development Board chairman Charles Klonaris.

Describing the fire which destroyed the block in December as nothing more than a "time setback" to downtown revitalisation efforts, Mr Klonaris said: "They are going to totally renovate Pompey museum and restore it as close as possible to what it was before.

"It's a historic building and a historic one for Nassau, as is the chapel which is next door to it. Both are historic, the chapel is privately owned and we have information that they are going to restore it again. That is moving forward.

"Very shortly you are going to see tangible results in terms of this park taking place."

Mr Klonaris added: "We are going to pave all of the intersections from Navy Lion Road all the way to East Street. We are on a path for the restoration of the city.

"Even though those fires were a time setback, that's about all. We are determined that that park, Pompey Park will play an important role in the revitalisation downtown. It's supposed to be a cultural centre where you will have live performances, families could come down and enjoy the beautiful green space we're going to create which will connect to Woodes Rodgers Wharf and become an important land mark to downtown."

Mr Klonaris said Pompey Park would compliment the new downtown straw market.

He said: "It's going to be more than just a green space, it will become a park that we can utilise for a lot of events. We are going to extend it all the way to Woods Rodgers. There's going to be a nice circulation of traffic between the straw market Woods Rodgers, the park and Bay Street. It's an important development and that's how we look at it."

A huge fire last December, the second major fire on Bay Street, caused massive damage to the Pompey Museum, the temporary Straw Market site, the Balcony nightclub and the SunTime shop.

The cause of the blaze has not yet been determined.

Last February, a huge fire consumed an entire block of Bay Street, leaving in its wake millions of dollars in damage.

The fire, which was believed to have begun on the second floor of the Betty K Building, also damaged the block from the Bacardi building on the corner of East and Bay streets, to the Kelly's dock yard.

It also damaged the Adderley building.

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[Swain warns: 'We can't continue at this same pace'](#)

Thursday 9th February, 2012 - The Tribune

GREATER efforts need to be made in attracting new businesses to Grand Bahama and reducing the cost of doing business to help boost its ailing economy, the island's chamber of commerce president John Swain said yesterday.

Mr Swain warned: "We can't continue at this same pace."

According to the results of a Department of Statistics labour force and household income survey conducted in November 2011, the unemployment rate in Grand Bahama now stands at 21.2 per cent.

"Based on the numbers, you can see that we are still having challenges over here, the economy is the same, there is no significant improvement."

He added: "There is no significant amount of new employment right now. During the time the survey was taken there would have been a rough time especially if you were in the tourism sector."

Mr Swain said greater effort needs to be made in terms of attracting businesses to Grand Bahama.

"We have to come to the realisation that we have to work harder and seek new ways of getting businesses to Freeport. We really have to be set on doing that. We have to look at our economy and see what we are doing right and what we are doing wrong. We can't continue at this same pace. People are going to continue to leave the island."

Mr Swain added: "We have to look towards attracting businesses here and look at reducing the cost of doing business here. We can see the impact of the recession in real terms. Hopefully things will start to turn around soon. We at the Chamber are working towards strengthening our small businesses, the ones we have here and we are working with the Grand Bahama Port Authority in trying to attract new persons here."

According to the Department of Statistics, the Bahamian unemployment rate is now at 15.9 per cent, with unemployment rate in New Providence at 15.1 per cent. The labour force now stands at 190,445 persons. According to the survey there was a 42 per cent increase in the number of discouraged workers on Grand Bahama.

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GOVT, AVIATION UNION URGED TO RESOLVE OUTSTANDING ISSUES

Thursday 9th February, 2012 - The Tribune

A LEADING Bahamian aviation executive yesterday urged the government and the air traffic controllers union to 'look at the bigger picture' and resolve their outstanding issues, stating any industrial action by the union would have a crippling effect on the Bahamian aviation industry.

Bahamas Air Traffic Controllers Union (BATCU) president Roscoe Perpall told Tribune Business the union was considering industrial action after what he called "stalling tactics" by the government with regards to contract negotiations.

Randy Butler, president and CEO of Sky Bahamas, said the union and the government need to be concerned about what impact such action would be on the aviation industry.

Mr Butler said: "I am concerned but I think that the government and the union need to be more concerned. We have a very fragile economy right now. My suggestion is that they should sit at the table and work it out. While I support the union there is a bigger picture here."

He added: "This whole situation just speaks to a lack of planning for the aviation industry. We support the union folks getting paid but we have to save this industry. We have to save it and not break it down. The government needs to meet with the union and the union needs to be sensible about this."

During the Christmas weekend, a work-to-rule by air traffic controllers hampered airlines operations at the Lynden Pindling International Airport (LPIA), creating massive delays and costing airlines thousands in additional fuel costs.

The situation was compounded, he added, by Air Traffic Control in Miami, which controls Bahamian air space above a certain height level, putting a 'ground hold' on various aircraft at LPIA to prevent the skies from becoming too congested by airline traffic.

Mr Butler said: "We lost a lot of money and that was very tough. It had a crippling effect. I am not looking forward to any type of industrial action at all."

BATCU's president Mr Perpall said: "The position right now is that we are dissatisfied on the progress being made in resuming and concluding contract negotiations. We are of the view that this whole process has been just a stall tactic.

"The possibility of work-to-rule or some form of industrial action is being considered."

While Mr Perpall gave no timeline as to when industrial action would be taken, he noted the progress of discussions on new contracts for the Bahamas Hotel Maintenance and Allied Workers Union (BHMAWU) which represents line staff at Sandals Royal

Bahamian and the Bahamas Customs Immigration and Allied Workers Union (BCIAWU) would influence the decision.

Last December, the BCIAWU, the BATCU, and the BHMAWU signed an accord stating that negotiations of all industrial agreements with the Government and Sandals Royal Bahamian, respectively, would be pursued collaboratively.

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SANDALS EXPECTING 10% INCREASE IN BOOKINGS

Thursday 9th February, 2012 - The Tribune

SANDALS Royal Bahamian is looking at a 10 per cent increase in bookings, says general manager Patrick Drake.

After investing almost \$21 million into the restoration of the Manor building, Mr Drake said demand for that particular part of the hotel was "very strong"

Mr Drake said: "The sales are going very well. March 1 is when we open up the Manor building but we have strong demand for rooms. The response in the marketplace is looking very strong, the bookings are coming in for that block in particular. We really want to stimulate sales because people realise we are bringing something new into the marketplace.

"The Manor building has 145 rooms and within the first three weeks of opening we will have it totally sold. We have very strong numbers going right through spring and into the summer. We're very excited about what's taking place."

Mr Drake noted that \$20.5 million had been invested into the renovation of the Manor building.

He said: "What was initially about \$12 million went up to \$15 million and now we are leveling off at about \$20.5 million. Once we saw the project really start to shape we just seized the opportunity to do some upgrades to it. We added more walk out rooms so when a guest is on his balcony he can just walk from his patio, walk straight down form the beach to the pool.

"The other two sections (The Windsor and the Royal Village) are looking very strong. What we have been doing is soft furnishing as we have gone along, even in the restaurant and public spaces. We have been doing quite a bit of upgrades on our Sandals Cay.

Mr Drake said resort bookings were about 10 per cent ahead over the same period last year and that the resort's group business was "coming back strong."

"Group business is coming back every strong," he said.

"There is no day in the next two months that we don't have a group in house. Last year this time that was unheard of. We just had a group from Hewlett Packard, a massive group of almost 200 visitors. The day they came in another group of 160 left so it's really shaping up very nicely."

He added: "Our winter has really helped. We have had a very mild winter. We really haven't lost many days to bad whether. What we see now is a little bit of a pick up in our UK business and our two and three week stays to offset some of those short stays.

"We continue to pick up a bit with the efforts of Copa so we get a few Brazilians coming up to, it's growing. All around we are trying to squeeze every market we can. Canada continues to really outperform everybody. The UK is going through their trials but we have such a tremendously loyal set of return guests out of the UK they do nothing but come to Royal Bahamian."

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[Haitian president urges Bahamian investment in Haiti](#)

Friday 10th February, 2012 - Caribbean News Now

Haiti is focused on job creation and attracting foreign investors to help stem the flow of immigrants out of the country, Haitian President Michel Martelly said on Wednesday during a visit to The Bahamas.

Martelly -- along with his ministers of foreign affairs, national security and tourism -- met with Bahamian officials and businessmen on Wednesday to start talks on mutually beneficial trade possibilities.

“We don’t need aid anymore, we need trade,” Martelly told businessmen gathered at a luncheon.

He outlined several areas where foreign investment is needed to help develop the country and create employment.

Only 25 percent of Haiti has electricity, the president said, adding that this presents an opportunity for utility companies to come into Haiti and provide power.

He added that Haiti also needs companies to build roads and homes.

Martelly said Haiti has rich land resources and could become a valuable trading partner for agricultural products for The Bahamas.

He said 60 percent of his country’s population are farmers and if he could put them back to work the country could again become an exporter of food.

On Tuesday, Minister of Immigration and Foreign Affairs Brent Symonette said The Bahamas was involved in discussions with Haiti to import mangoes, but the talks fell through after the 2010 earthquake.

Martelly also said his government planned to revitalize Haiti’s tourism industry and wants to learn from The Bahamas’ model.

He said he hopes to partner with cruise lines that travel to The Bahamas and work to include North Haiti in their itineraries.

The president said most Haitians who flee the country illegally come from North Haiti and added that creating jobs for them through tourism and agriculture would lessen this problem.

He said his government is working hard to restore international confidence in Haiti by creating laws to protect investors and tax incentives to spur foreign development.

While in The Bahamas he met with Symonette and Minister of National Security Tommy Turnquest to discuss illegal immigration and border security issues.

The president also met Governor General Sir Arthur Foulkes, Prime Minister Hubert Ingraham and leader of the Opposition Perry Christie.

His first stop was a meeting with members of the Haitian community in The Bahamas on Tuesday night.

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[Bakewell blames retailers for not applying 'first in first out' method](#)

Friday 10th February, 2012 - Guyana Chronicle

CUSTOMERS purchasing Bakewell bread and tennis rolls that are mildewed or stale is largely as a result of retailers not applying the “first in, first out” method when selling the commodity. This is according to General Manager of Bakewell, Rajindranauth Ganga, who said that his company has a delivery policy of every day and every other day in some areas.

This comment came from Ganga when contacted by the Guyana Chronicle following reports from customers and some bread vendors in the Cummings Lodge area about mildewed products being sold by Bakewell delivery trucks.

According to Ganga, while it is inevitable for flour products to become stale and mildewed, this does not happen two or three days after leaving the oven. According to tests carried out by Bakewell, bread or tennis rolls will take approximately twelve days before they begin to get mildewed, while staleness will be experienced four days after the product is opened.

He further stated that tests are carried out each day on every batch that leaves the bakery so as to have a true feel of customers complaints about products.

Ganga explained that while the company has a return policy, many businesses, especially established businesses operating in Georgetown, take advantage of this offer without considering the financial implications for the company. He lamented that in the case of established businesses, once the proprietors are not available, employees tend to do “whatever they want” thus increasing the amount of returns Bakewell sometimes has to deal with. According to Ganga, Bakewell loses each time products are returned and have to be dumped.

“And what about the possibility of stale or mildewed bread being left on delivery trucks and passed unto other customers?”

That is not possible, since the drivers and deliverymen have nothing to gain from such an exercise, and moreover, they have to balance off their books each afternoon in order to clear trucks,” Ganga explained.

Bakewell bakes close to 400 pounds of flour per day, and services more than 3,000 customers countrywide.

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[REPSOL commences offshore drilling](#)

Friday 10th February, 2012 - Guyana Chronicle

Minister of Natural Resources and Environment, Robert Persaud, yesterday, announced that offshore drilling activities by REPSOL commenced on February 7, while CGX, another oil giant, is set to start its operations by the end of next week. The Jaguar-1, a deep well which is being drilled by REPSOL's Atwood Beacon Jack-Up rig, could take up to six months to reach the targeted depth; while the CGX's Eagle well is being drilled by the Ocean Saratoga Semi-Submersible rig, and is expected to be completed in two months at about 14, 200 feet.

Minister Persaud said that based on the most recent reports, all activities are proceeding according to plan. He explained that the Jaguar 1 is approximately 107 miles offshore, and is being drilled to a depth of 6,500 meters to test the turonian geologic zone.

Meanwhile, the Eagle operation is in the same vicinity, but at a safe distance away. With regard to measures to safeguard against spills and other such mishaps that could affect the environment, the minister said, "We put a lot of emphasis on the issue of safety and safeguards, when the representatives of the companies met with the president; it was an issue that was flagged and we have been assured that there is a robust plan in this regard."

Chief Operations Officer, CGX Drilling, Mike Stockinger, assured that his company has an emergency response and oil spill contingency plan that will be activated should the need arise.

Moreover, a workshop will be held on February 14 to bring all relevant stakeholders up to date with the issues, implications, measures and precautions with regard to this new development.

The drilling process is a very comprehensive and costly programme. In the case of REPSOL, nearly US \$52M has already been spent on its operations, with an envisaged overall expenditure of US \$180M. CGX, on the other hand, is expected to expend about US \$55M, as their well will be much shallower.

Minister Persaud said that once oil is found, government will be guided by the legislative framework that is in place with regard to the next step. However, at present, the focus is primarily on exploration and technical capacity building.

To this end, a team from the Commonwealth is expected to arrive in Guyana shortly to share technical expertise, and a workshop will be held by the US Government to look at revenue streams and other mechanisms.

In a release yesterday, CGX President and Chief Executive Officer (CEO), said that this will be the deepest well drilled to date in the Guyana Suriname Basin.

CGX Energy is a Canadian-based oil and gas exploration company. It is managed by a team of experienced oil and gas and finance professionals from Guyana, Canada, the United States and the United Kingdom.

REPSOL on the other hand, is an integrated Spanish oil and gas company, with operations in a number of countries. It is the 15th largest petroleum refining company, employing over 40,000 people worldwide.

Last year, former President Bharrat Jagdeo approved an extension to its deadline for drilling of the Jaguar Well.

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[Caribbean governments backtrack on Falklands blockade](#)

Friday 10th February, 2012 - Caribbean News Now

Just days after the Commonwealth Caribbean countries of Antigua and Barbuda, Dominica and St Vincent and the Grenadines were among ALBA members that had reportedly agreed to block any ships flying the Falkland Islands flag from docking in their ports, the Antigua and Barbuda government has distanced itself from any such agreement.

"Antigua and Barbuda has never supported any call for the banning of flagships from any country in the region and therefore disassociates itself from any statement regarding the banning of ships carrying the flag of the Falklands (Malvinas) from entering our ports," the government said in an official statement on Wednesday.

Antigua and Barbuda also supports a "peaceful and definitive solution" to the territorial dispute between Britain and Argentina over the Falkland Islands, the government said.

Meanwhile, St Vincent and the Grenadines said its support of the ALBA agreement to ban ships with the Falklands Islands flag from entering its ports is "symbolic".

Prime Minister Dr Ralph Gonsalves told a news conference on Wednesday that the ALBA summit merely added on a paragraph to a resolution adopted in December by the Community of Latin American and Caribbean States (CELAC).

Gonsalves said that CELAC had indicated it was giving "support for the cause of the Argentineans in principle but more particularly the request was being made for the issue to be resolved within the context of the discussion taking place on sovereignty of these islands through the United Nations mechanisms".

"And that is basically what is restated in this declaration... the real addition was the paragraph that says 'Support the decision by the countries of the region to ban ships with the colonial flag imposed on the Malvinas from entering their ports'," he said, adding "it is largely a symbolic gesture."

"And when this declaration says support the declaration made by those countries ... we don't have ships from the Falklands coming to St Vincent," Gonsalves pointed out.

At the 11th summit of the Bolivarian Alliance for the Peoples of Our Americas (ALBA), made up of Venezuela, Cuba, Bolivia, Nicaragua, Dominica, Antigua and Barbuda, Ecuador and St Vincent and the Grenadines, participating heads of state and government had reportedly approved a special agreement to back Argentina's call for the restoration of the British Overseas Territory claimed by Argentina as Las Malvinas to Argentinean sovereignty.

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[First-time unemployment claims sink to early-recession levels](#)

Friday 10th February 2012 – Bloomberg

In another sign that the job market is gaining momentum, the number of workers filing for unemployment benefits fell further last week — down to levels last seen in the early months of the recession.

The Labor Department said Thursday that first-time jobless claims dropped by 15,000 to 358,000 last week, although week-to-week changes can be volatile.

The average for the last four weeks, a more reliable measure, dropped to 366,000 — the lowest four-week average since April 2008.

Initial jobless claims averaged 418,000 in the same four-week period last year. The decline reflects the slowdown in layoffs at companies as the economy has improved and employers have shown a greater willingness to hold on to their existing workers.

Earlier this week, the Labor Department reported an increase in job openings. And last Friday, in the single most important monthly gauge of the economy, the government said employers across a broad spectrum of industries added a net total of 243,000 jobs in January, the most in nine months.

All these data indicate that the labor market is healing, but most analysts remain cautious. Unemployment claims fell last winter as well, and job growth spiked in the early months last year only to fizzle by summer as shocks from the global economy and domestic politics undercut confidence.

The continuing drop in jobless claims — considered a signal of future economic trends — shows that the problem with today's job market isn't layoffs but rather the modest and unsteady hiring at companies. Business confidence appears to be rising, and if the economy continues to perk up, employers are likely to step up their hiring.

The economy has a long way to go to make up for the jobs lost in the recession, and the latest data showed nearly 13 million people were officially unemployed in January. As of Jan. 21, the government said Thursday, about 7.7 million people were receiving state and federal unemployment benefits, down from 9.4 million a year earlier.

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[U.K. Output Prices Rise More Than Forecast](#)

Friday 10th February 2012 – Bloomberg

U.K. factory-output prices rose more than economists forecast in January, led by increased costs for alcohol, petroleum products and clothing.

The price of goods at factory gates climbed 0.5 percent from December, the fastest in nine months, the [Office for National Statistics](#) said today in London. The median forecast of 19 economists in a Bloomberg News survey was for a 0.1 percent gain. Raw material costs rose 0.5 percent.

Companies may find it hard to keep raising prices as the economy struggles to avoid slipping back into recession. The Bank of [England](#), which yesterday pledged to pump an extra 50 billion pounds (\$79 billion) into the ailing economy, expects consumer-price inflation to fall below its 2 percent target by the end of the year.

“There’s probably a bit of upside news here as far as the consumer-price inflation figures are concerned next week,” said David Tinsley, an economist at BNP Paribas in [London](#). “Still, its relatively small news compared to the base effects that are falling out of the index” and consumer inflation “is going to continue to head downwards at a rapid pace.”

The pound rose as much as 0.2 percent to \$1.5837 after the data were released. It was trading at \$1.5837 as of 10 a.m. in London, up 0.1 percent on the day.

Core Prices

From a year earlier, producer prices rose 4.1 percent last month, down from 4.8 percent in December and the slowest annual pace since November 2010, the statistics office said.

In January from the previous month, prices rose in eight categories and fell in one -- metals, machinery and equipment.

[Core producer prices](#), which exclude costs of food, alcohol, tobacco and petroleum, climbed by 0.3 percent on the month and 2.4 percent from a year earlier, the slowest annual increase in February 2010.

Input prices rose 7 percent in January from a year earlier, the statistics office said. That’s the slowest annual increase since November 2009.

The [Bank of England](#) will publish new economic growth and inflation forecasts next week. In November, it projected that consumer-price inflation will slow to 1.7 percent by the end of this year from 4.2 percent in December. Britain’s six largest energy suppliers have cut their tariffs in response to falling wholesale costs.

In a separate report, the statistics office said construction output fell 0.5 percent in the fourth quarter from the previous three months, as previously estimated in [gross-domestic-product data](#) released last month.

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China economy shows strain, policy shift eyed

Friday 10th February 2012 – Bloomberg

China betrayed signs of spluttering domestic demand on Friday as imports crumbling to their lowest in more than two years and weaker-than-forecast bank lending signalled to investors that policymakers would soon make a fresh bid to bolster growth.

China's economic expansion struck a 2-1/2 year low of 8.9 percent in the last three months of 2011, extending a steady slowdown that had prompted the government in the autumn to switch policy settings to support growth. It has gently eased monetary and fiscal conditions since.

Now more is needed.

"I think that liquidity conditions are too restrictive. The economy is slowing down and liquidity conditions are restrictive," said Yao Wei, China economist at Societe Generale in Hong Kong.

A fall of 15.3 percent in imports in January compared with January 2011 was the lowest reading since August 2009, while exports fell 0.5 percent over the same period, the worst showing since November 2009, customs data showed on Friday.

That was followed by data from the People's Bank of China showing that new lending was less than 75 percent of the level expected -- a big surprise for a financial system that typically sees its biggest lending splurge of the year in January.

"That supports our view that there should be more RRR cuts," said Kevin Lai, an economist at Daiwa in Hong Kong, referring to the bank reserve requirement ratio. A cut in reserves would release cash into the economy.

"We expect there should be four this year, so we expect the next one very soon," Lai said.

The combination of data points raises numerous worries even though Lunar New Year holidays fell in January, which can make it difficult to interpret economic figures.

First, that the domestic demand which has shielded the world's second-largest economy from slackening exports is not as resilient as thought. Second, that China's ability to support a frail global economy by absorbing more imports is undermined.

And third, that weaker-than-expected lending is a function of banks being at their limit of credit creation, meaning the central bank will need to expand the range of policy tools beyond cuts in the reserve requirement ratio and use of open market operations if it is to effectively boost the supply of credit.

"The trade data, especially imports, show that domestic demand is slowing quite rapidly. But the lending data is more indicative of that right now, the capacity to ease liquidity conditions is not as great as people thought," said Yao.

"Right now the binding constraint is not the required reserve ratio, but the loan-to-deposit ratio."

Lunar New Year distortions will make policymakers wary of any hasty reaction. Most analysts expect them to assess January and February data combined before deciding whether the current policy of gentle easing should be intensified.

The week-long Lunar New Year holiday, which fell in January this year and in February last year, typically sees factories shut or run at half speed during the period.

But seasonal factors alone do not convince every economist that January is a one-off distortion, especially for trade.

"A fall of over 15 percent in January cannot be entirely explained by the Lunar calendar, and adds weight to the view that economic output is slower than headline indicators might suggest," said Ren Xianfeng, an economist at IHS Global in Beijing.

Exports to the European Union, China's top export market, fell 3.2 percent in January from a year earlier, the first decline since February last year, the data shows.

Exports to the United States rose 5.5 percent in January from a year earlier, slowing from December's 11.9 percent rise and marking the weakest pace since February last year.

The big imports drop combined with a smaller exports drop left China with a trade surplus of \$27.3 billion in January, its biggest in six months and confounding expectations of a further narrowing.

Realisation that January would produce a bigger trade surplus may well have held the central bank back from reducing the RRR that month, when many economists had expected a cut.

It cut bank reserves by 50 basis points to 21 percent on Dec 5, a move economists believe was a response to rare capital outflows from China in the fourth quarter of 2011.

China's monetary policy essentially targets a level of overall money supply which is affected by external capital flows and internal credit creation.

So broad M2 money supply growth of 12.4 percent in January -- the slackest pace of expansion since May 2001 -- has reignited expectations that the central bank will seek to boost credit before long.

"The weak data may reflect the softening lending demand from the real economy, which is slowing down on slackening demand at both home and abroad," said Jiang Chao, analyst at Guotai Junan Securities in Shanghai.

"But we cannot ignore the uncertainties stemming from the Chinese New Year effect and should better wait for the February data to call it a trend."

EXTERNAL UNCERTAINTY

Other figures on Friday showed China's current account surplus shrank in 2011, offering Beijing fresh evidence to show critics of its currency policy that it is relying less on external demand.

Chinese leaders can point to the figures next week at a summit with European Union officials in Beijing, as can Vice-President Xi Jinping, widely expected to be China's next leader, who visits Washington on Tuesday.

Xi is likely to hear calls in the United States next week that Beijing allow the currency to rise at a faster rate. The EU is also likely to make such calls when it meets China's leaders.

However, a Reuters poll this month suggested such hopes may be dashed. It showed that China is expected to slow the pace of yuan gains to help exporters cope with the slowdown in global demand growth.

China's economic growth slowed steadily throughout 2011. But the slope of the slowdown was shallow enough for the consensus to emerge that a hard economic landing will be avoided, even though many private-sector economists forecast that 2012 will see the slowest pace of expansion in a decade.

The first quarter of 2012 is widely expected to mark the bottom of China's economic downswing. Signs from the most recent purchasing managers index survey showed a slight expansion of the factory sector in January.

And analysts are wary about forecasting a cut in the RRR too soon, since data on Thursday showed annual inflation spiked to a consensus-busting 4.5 percent in January.

"Taken at face value, today's trade data should push policy makers to loosen policy further. This may well happen if February year-on-year exports data is still as low but we believe there will be a large rebound to double-digit levels," Yu Song, China economist at Goldman Sachs, said in a note to clients.

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Oil Falls From Three-Week High as Greece Counters U.S. Economy

Friday 10th February 2012 – Bloomberg

Oil fell from the highest level in three weeks, trimming a weekly advance, as concern that Europe's debt crisis will worsen and global commodity demand is weakening countered signs of recovery in the U.S. economy.

West Texas Intermediate futures declined as much as 1.1 percent, snapping the longest run of gains since December. Greece won't get financial aid until it implements an austerity plan, Luxembourg Prime Minister Jean-Claude Juncker said yesterday. The International Energy Agency reduced its 2012 global oil demand forecast for a sixth month, citing a "darkening" economic outlook, and China's exports fell for the first time in more than two years. Initial U.S. jobless claims slid by 15,000 last week, the Labor Department said yesterday.

"The market's losing ground on the Greek concern," said Gerrit Zambo, a trader at Bayerische Landesbank in Munich. "The demand-supply situation for the rest of the year is not a critical point at this moment. It's mainly the political and economic situation."

Oil for March delivery fell as much as \$1.13 to \$98.71 a barrel in electronic trading on the New York Mercantile Exchange and was at \$98.76 at 10:25 a.m. London time. The contract rose a third day yesterday, climbing 1.1 percent to \$99.84 for the highest close since Jan. 19. Prices have risen 0.9 percent this week and 14 percent in the past year.

Brent oil for March settlement slid \$1.29 to \$117.30 a barrel on the ICE Futures Europe exchange. The European benchmark contract's premium to New York-traded WTI was at \$18.54, compared with \$18.75 at yesterday's settlement and a record \$27.88 on Oct. 14.

Greece, China

The euro retreated from a two-month high against the dollar before a Greek parliamentary vote on austerity measures this weekend that the nation's Finance Minister Evangelos Venizelos said amounted to a referendum on euro membership. European finance ministers refused to deliver a bailout for Greece until the measures are passed into law.

German Finance Minister Wolfgang Schaeuble told lawmakers in Berlin today that Greece is missing its debt-cutting targets, according to two people who took part in the meeting and declined to be named because it was held in private.

IEA Cuts Forecast

The IEA cut its 2012 global oil demand forecast for the sixth month, predicting worldwide crude consumption will increase by 800,000 barrels a day, or 300,000 less than previously estimated, to 89.9 million barrels a day, according to the Paris-based agency's monthly oil market report today.

The Organization of Petroleum Exporting Countries reduced its estimate of crude consumption for this year by 120,000 barrels a day to 88.76 million a day, the group's Vienna-based secretariat said in its monthly market report yesterday. Supply from the 12 members increased to 30.9 million barrels a day last month, the most since October 2008, compared with estimated requirements of 29.55 million, the report showed.

China's exports fell 0.5 percent in January as trade was disrupted by the Lunar New Year Holiday. Imports dropped 15.3 percent. China accounted for 11 percent of the world's oil demand while European Union countries consumed 16 percent, according to BP Plc's Statistical Review of World Energy.

The country's crude imports last month rose 7.4 percent from a year ago to 23.41 million metric tons, or about 5.54 million barrels a day, according to preliminary data on the website of the Beijing-based General Administration of Customs.

U.S. Economy

U.S. first-time jobless claims fell to 358,000, compared with estimates that ranged from 355,000 to 385,000 in a Bloomberg News survey of 48 economists. The four-week moving average, a less-volatile measure, declined to 366,250, the lowest since April 26, 2008.

"The numbers at the moment are supporting a much better scenario in the U.S.," said Michael McCarthy, chief market strategist at CMC Markets Asia Pacific Pty in Sydney. "We had jobless claims reflecting a better employment situation and therefore a better outlook for oil."

Investors should exercise "extreme caution" when trading the spread between the New York and London contracts, Michael Wittner, head of oil market research at Societe Generale SA in New York, said in a report dated yesterday. Traders who lost money on bets that the gap would narrow closed their positions, increasing the speed and magnitude of the widening gap, he said. The premium increased 46 percent in January, the biggest gain in 11 months.

Prices May Rise

Oil in New York may rise next week after U.S. refineries increased operating rates, bolstering demand for crude, a Bloomberg News survey showed. Nineteen of 36 analysts, or 53 percent, forecast prices will climb through Feb. 17. Eight respondents, or 22 percent, predicted futures will decline and nine estimated there will be little change. It was the most bullish response since April.

Brent prices may fall next week as the dollar advances against the euro, said Ken Hasegawa, a commodity-derivative sales manager at Newedge Group in Tokyo. A stronger U.S. currency typically reduces the investment appeal of dollar-denominated commodities like oil.

“Brent rose for eight straight days to yesterday, supported by fundamentals, but was also pushed up by currency movements like the euro strengthening,” Hasegawa said. “If Brent comes under selling pressure, then WTI will be pulled down to \$98.50.”

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[LIME to bundle popular products with faltering fixed line service](#)

Friday 10th February, 2012: The Gleaner

Mobile and broadband offers the greatest scope for business growth, but LIME Jamaica still earns most of its cash from its fixed line operations, according to president Garfield Sinclair.

Broadband and fixed line services account for up to 70 per cent of gross margins, Sinclair said; fixed line alone is 51 per cent.

But LIME expects that the latter business will continue to decline in line with market preference for wireless services.

"Fixed line is in structural decline because of mobile substitution," Sinclair told the Financial Gleaner. "We are losing that customer base," he said.

LIME has put in place a 'churn management' programme to mitigate the fallout over time.

It includes a plan to bundle popular services with fixed-line products, including international plans, and a new service called 'Browse & Talk' which links free fixed line talk time to broadband.

A more ambitious bundle is now being designed to incorporate mobile TV, but Sinclair said he it was too early to disclose the details.

Half of LIME's fixed-line subscription comes from businesses. Demand in that segment is expected to remain steady because companies tend to "want the stability of a fixed number system," said the telecoms head. Wireless, he said, does not offer the same reliability.

The company's broadband is profitable, and has even more scope to grow, he said. Broadband penetration is just at 18 per cent.

LIME has rolled out its Fibre-to-the-Home service in five parishes already to position for more broadband business, in competition with Flow Jamaica.

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[Sinclair demands regulatory protection in high stakes telecoms market](#)

Friday 10th February, 2012: The Gleaner

As an investment banker his tone was fairly modulated. But inside Jamaica's take-no-prisoners telecoms market, Garfield 'Garry' Sinclair is confrontational, direct and stoked for a fight.

In the telecoms game where size is king, Sinclair is demanding regulatory protection for LIME.

He's already laid down a gauntlet.

Maybe, just maybe, he said, LIME is not willing to continue investing big in a market where the system now appears stacked against the company and other players who are not Digicel.

"Shareholders should not be asked to pump money into a sinkhole," Sinclair said Monday in an interview with the Financial Gleaner.

He got tapped for the job as managing director of LIME Jamaica in 2010, just around the time that parent Cable and Wireless International had given up on "parachuting in" talent from overseas to turn around its 140-year-old subsidiary.

Sinclair was entering a company where his friend Chris Dehring was already ensconced in a senior position. But he said he was recruited for the job, not by Dehring, but by LIME's regional head of human resources Henry Reid.

"That's a myth," he said of Dehring's involvement in his hiring.

Dehring, who is LIME Jamaica's chairman and chief marketer for the regional outfit, was brought in at the tail end of the recruiting process, he said.

At first blush, Sinclair seems an odd fit for a telecoms firm. Investment banking is generally conservative and low-key; the telecoms market is high energy, constantly evolving and often unpredictable.

Sinclair's known business associations and dealings after Dehring, Bunting & Golding were also in the financial sector - as chairman of Jamaica's first REIT, Kingston Properties Limited, and as co-owner of the two-year-old Proven Management Limited.

But the banker turned telecoms warrior appears to have found grounding in familiar aspects of the two fields. Both, he says, are highly regulated, dominated by a few strong players, are highly competitive and sell a commoditised product.

Sinclair was initially brought into LIME at a lower level on a programme to learn the business before assuming the managing directorship six months later on October 1, 2010.

No time to shadow

He was initially made the head of customer segments and put in charge of a retail sales force. Busy with that unit, and travel, he had no time to shadow Geoff Houston who he was brought in to replace.

"I was thrown in, by and large, at the deep end," Sinclair told the Financial Gleaner.

"The transition was challenging and exhilarating," he said. "The learning curve has been steep. This is anything but a simple business."

Indeed, while the name of the latest technology may not always roll glibly off his tongue, Sinclair appears to have taken on the persona of the aggressive telecoms boss, alternating between attack mode and a passionate defence of the company he now leads.

In a sign of just how much liberalisation has changed the telecoms game one decade in, Sinclair is today demanding regulatory protection for LIME as it seeks breathing room to fortify its share of the mobile market.

"We have in place a regulatory environment that is oppressive," he said, adding that after a dozen years of liberalisation it was time to reform the law.

"We are clearly the smaller player," he said.

A decade ago, just before Digicel was founded, it was Jamaicans pleading to be rescued from monopoly Cable & Wireless Jamaica, now reborn as LIME.

On Monday, Sinclair reached back in time to frame LIME as a company that had delivered value to Jamaica as philanthropist, sponsor of scholarships, as investor, and as the company that gave Jamaica the backbone on which it has built a modern telecoms system.

Asked whether he was not romanticising a past monopoly, Sinclair dismissed the suggestion and doubled down on his take of the company, saying that while Cable & Wireless had made commercial mistakes, its contribution to jobs - about 4,000 at liberalisation; down to about 1,200 today - charity, and the skills pool and technological input were undeniable.

"Those are facts," he said. "The idea that those sole provider days are dark days, is just ludicrous."

Today, the company has 380,000 mobile customers compared to Digicel's two million, Sinclair said, but that when its fixed line business is factored, LIME's voice customer base likely climbs to about 700,000.

Mobile delivers 17-19 per cent of gross margins; broadband about 15-18 per cent and the fixed line business remains dominant at around 51 per cent.

He said it is a fallacy to say that LIME lost mobile business after Digicel made its market entry in 2002.

Pre-liberalisation, LIME had 117,000 to 120,000 mobile clients, he said, which is about a third of its current numbers of 290,000 active customers and a base of 380,000.

What Digicel did—and deserves high commendation for, he said—was create a new market segment for prepaid services that has now become the main driver of mobile business.

But Sinclair also says LIME is finding it difficult to hang onto its market share, which he links to the pricing policy of the dominating Digicel and "prohibitively expensive" cross-network talk.

Last year, Sinclair said LIME ended up paying J\$1.48 billion in fixed-to-mobile termination charges to Digicel, but collected just J\$80 million in similar fees from its home-based but Irish-owned rival - a net advantage of J\$1.39b to Digicel.

"They earn more from our fixed line business than we do. It costs us 7 US cents to terminate on their network," said Sinclair. "It costs 1 US cent for Digicel to terminate on ours."

What the figures demonstrate, he said, is that Digicel has a lock on the market that only regulatory reform of inter-connection fees can solve because the size of their customer base puts them in a place "where they are unassailable."

The two firms are fighting several legal battles in court amid their market manoeuvrings. In its most recent legal challenge, LIME is contesting the sale of Claro Jamaica to Digicel as anti-competition; while making a pitch at the same time for former Claro clients to join its network.

Such overt play for business used to be associated only with Digicel. But it fits with Sinclair's mandate from his UK bosses "to lead Jamaica and Cayman business into a new phase of aggressive growth."

LIME is for number portability, which will reduce switching costs for persons changing networks; but is pushing even more aggressively for quick passage of the revised Telecommunications Act that gives the responsible minister greater power to set inter-connection rates.

The new telecoms minister Phillip Paulwell has said that he is wary of the proposal because it inserts him into what is essentially a commercial issue to be negotiated by companies.

Sinclair, however, says the minister can just as easily assign the function of setting interim rates to an objective arbiter - the regulator of the sector - and need not insert himself in the process.

"Termination rates are patently unfair and need to be regularised," he said. "It will allow us to keep the customers we get."

Essentially, LIME is lobbying for on-net rates to be more closely aligned to termination rates, to allow companies with smaller markets to compete more effectively for customers.

The current gap in the rates allows Digicel to "ring-fence" its subscribers because it's so expensive for them to call outside the network, Sinclair said.

Mobile-to-mobile rates are currently at about J\$9, he said, and the cross-network termination rate is about J\$17.

Digicel on January 4-12 reduced its cross-network peak rates by J\$3.50 per minute J\$2 per minute for off peak rates.

The Office of Utilities Regulation is said to have placed a reduced J\$5 interim mobile rate on the table for consideration.

LIME said it is lobbying for a sliding scale of J\$1 to J\$5 for mobile to mobile; and wants cross-network rate to be set at no more than 30 per cent above the mobile termination rate, which would effectively reduce cross-net charges to J\$6.50 per call.

"If we get the rates touted by the regulator, we would be a significant way to profitability," Sinclair said.

In the past four years, LIME has poured capital of US\$200 million - approximately J\$17b - into its operations, but is unlikely to continue investing at the same pace if the Government does not act decisively to reform the sector, Sinclair declared.

He said, however, that this year's capex programme has not yet been affected. The company's last published cash flow statement bears this out, reflecting investments of J\$1.76 billion at half-year September 2011 (HY 2010: J\$1.71b).

LIME Jamaica has been losing money for the past four to five years amid declining annual revenues last reported at J\$20 billion, and climbing outpayments totalling more than J\$6 billion.

Broadband is currently the most efficient, and profitable, segment, said Sinclair; fixed line and mobile are struggling.

The losses have been mounting on LIME's balance sheet, and the estimated J\$16 billion of accumulated deficits at September 2011 has served to erase most of the company's book value.

LIME, which three years sported equity of J\$15 billion, now has a net worth of about J\$3 billion.

Perhaps to demonstrate that value continues to reside in the company despite the bleed, LIME now reports its earnings before interest taxes depreciation and amortisation - or EBITDA - which is a key industry metric for determining the health of the operation of telecoms companies.

On this front, LIME is in surplus.

Its challenges essentially lie in multibillion write-offs of outdated equipment, as well as debt financing for J\$22b of loans from UK parent Cable & Wireless.

The company's greatest area of weakness Sinclair said is "ironically in the area with the most value - the prepaid mobile market."

It's not that LIME has been unable to secure customers, he said, it just has not been able to keep them because of the cross-network charges for calls to Digicel's network.

"The regulatory environment limits your ability to compete; it doesn't limit your ability to get customers," he said. "You need traffic from the other network to survive."

The current system is "starving competition to the point where, as you can see with Claro, nobody can survive, particularly when you have a disparity in size."

He sarcastically dismissed the critics who say LIME had not been edgy enough in its marketing, saying America Movil-owned Claro's heavy promotions did not stop it from faltering.

"Why does the best mobile operator in the region come to Jamaica and could not survive?" he demanded. "It was not about market savvy; you can't say that about Carlos Slim, the richest or second-richest man in the world, yet he could not survive. It says something about the dominant player ring-fencing the competition."

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Citi launches prepaid bank card in Jamaica

Friday 10th February, 2012: The Gleaner

Citigroup's customised prepaid card issued to persons who do business with the banking group's corporate clientele, whether as employees, customers or sales agents, was launched in Jamaica at the top of the month.

The MasterCard-branded Citi Prepaid Services card is being promoted as a replacement for cheque and cash transactions. It converts costly paper-dependent processes into electronic solutions, the bank said.

"As it is a prepaid card, there is no credit associated with the card and, therefore, our customer has to provide funds to be loaded on the card before the cardholder can initiate a transaction," said Angela Fletcher, Citi Jamaica's global transaction services head.

Citi said the card can be used for payrolls, payment of government benefits, sales commission and customer incentives.

Explaining how the product works, Fletcher said Citi's client may request that a card credited or loaded with a specified amount of funds - whether Jamaican or foreign currency - be issued to a supplier, who will access the monies at automated teller machines or point-of-sale (POS) terminals.

The card can be used inside and outside Jamaica, but cannot be used for all payments solutions largely because of the caps on the amount of cash that can be accessed through the ATM and POS systems.

In Jamaica, electronic transactions are generally capped about J\$40,000 per day for ATMs and J\$200,000 at POS terminals.

"As it is a prepaid card, it is not suitable as a replacement for every payment type. The solution has to make sense to the persons receiving the card," Fletcher said.

"For example, if a client is seeking to pay a large supplier, the prepaid card would not be a suitable replacement to a cheque or automated payment. The card is very practical if our client is going to use it to settle company expenses or make repetitive payments to a group of employees or pensioners."

The Citi Jamaica executive said there is no standardised fee structure associated with the product and that the charges are client-specific.

"We customise solutions for our clients on a one-on-one basis." she said.

All transactions done using the card will be registered in Jamaican dollars and regular MasterCard fees will apply, she said.

Fletcher said the card does not represent a return to the retail banking market by Citibank. The card recipient will, however, be required to sign a registration form and provide basic information such as address and date of birth.

"If the ultimate cardholder is not a client of Citi we conduct due diligence on the individual," she said.

No account will be opened for the cardholder.

"Remember, we are a corporate bank in Jamaica, so the prepaid card is a solution meant specifically for our corporate clients, who may pay persons in the retail space. The card is not an attempt to get into the retail space."

Citibank Jamaica is the smallest of Jamaica's seven commercial banks. The American-owned bank exited the retail market in June 2003 to focus on corporate banking.

Citigroup is also rolling out the prepaid card in other Latin American markets but says the product is already available in more than two dozen countries. The banking group operates in 95 markets worldwide.

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Hill suggests radical break from manufacturing

Friday 10th February, 2012: The Gleaner

Businessman Stephen Hill said Tuesday that Jamaica has no future in manufacturing against large markets with greater economies of scale and should power down its plants to focus on sectors in which it has comparative advantage.

Industry spokesman for manufacturers Brian Pengelley and his predecessor, furniture maker Omar Azan immediately mounted a defence of the sector as a value creator and a top source of jobs.

Hill, the CEO of New York-based Caribbean International Network, says because of trade liberalisation, Jamaica is being inundated with foreign goods against which its producers cannot effectively compete, and should focus instead on agriculture, tourism and other services.

"The WTO has messed up any ambitions that Jamaica has to expand in manufacturing," said Hill.

"There is a structural problem that we will never be able to overcome. This is the problem that the WTO imposed on emerging markets."

Developed countries in North America and elsewhere benefit from lower production cost and are able to supply goods to emerging markets, Jamaica included, at cheaper prices and in greater quantities, Hill said Wednesday as a participant of an investors' forum hosted by Stocks and Securities Limited (SSL) that focused on Jamaican SMEs.

"Some companies can produce for local use. But look at it - the Chinese are going to kill us," he said.

The World Trade Organization was established in 1995 to knock down barriers to free trade. Jamaica is one of 153 signatories.

Difficult for Jamaica

"The Government needs to come up with a strategy, because the WTO has made it very difficult for Jamaica to compete in manufacturing," said Hill.

"It is too late. This cannot be amended. It is now a part of the world global system so it is not something Jamaica can go and change now. Forget about manufacturing, there is nothing we can do about it now. What we need to do is come up with an economic strategy," he said.

Jamaica's manufacturing sector is in decline. Its contribution to GDP hit a seven-year high of 9.1 per cent in the past decade, but has fallen off by a percentage point.

The sector, which employs 74,000, continues to struggle with an inefficient bureaucracy, crippling energy costs, and inefficient tax system, high labour costs and low productivity, as highlighted by speakers at the SSL forum.

But group companies such as GraceKennedy Limited, Seprod Limited, Lascelles deMercado and others, run highly profitable operations steeped in the manufacturing of food, industrial products and spirits over periods that run into centuries in the case of Lascelles' jewel, J. Wray & Nephew Limited.

Hill made no exception for them, he told the Financial Gleaner when asked to clarify that there ought to be a clean break.

Krishna Vaswani, director of Quality Incorporations VII Limited - a panellist at the forum - agreed with Hill about the adverse impact of the international trade regime on Jamaica, but said it was up to manufacturers and the Government to formulate policies that rid the system of its inefficiencies and so position producers to compete more efficiently in the global space.

Azan, however, pushed back more directly at Hill's suggestion, saying consumers can choose not to buy imported products; and that it is up to local suppliers to create quality products that consumers want.

"They won't be on the shelf if people do not want them to buy," said Azan, the CEO of Boss Furniture, referring to imported products.

"Manufacturing has contributed more than both farming and tourism over the years. When everything else was contracting, manufacturing was expanding," he said.

Pengelley, the president of the Jamaica Manufacturers' Association, acknowledged that there are sections of the manufacturing industry struggling to be efficient and therefore find it difficult to compete.

But he also pushed back at Hill, saying that many industries are flourishing, even in the face of the current hardships, and that some even have global dominance.

The tourism sector matches manufacturing in jobs at 74,000, according to the latest labour statistics published by Statin, but agriculture dominates with 191,000 jobs.

But while agriculture is contributing 5.8 per cent to GDP and tourism 6.1 per cent, according to Planning Institute of Jamaica estimates for 2010, manufacture easily outpaced them with contribution of 8.1 per cent.

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Mortgages up marginally

Friday 10th February, 2012: The Gleaner

Mortgage providers did marginally higher business last year, according to the National Land Agency (NLA), which registers all new transactions.

New mortgages registered were 2.5 per cent higher at 12,138, compared to the 11,834 registered in 2010.

Last year, it was expected that a number of mortgagors would have switched to new loan sources with lower interest rates, as the Government reduced the stamp duty charge on refinancing transactions to a nominal \$100, as opposed to the original three per cent charge.

The NLA was unable to say what proportion of last year's transactions might have been refinanced properties.

Mortgage rates fell last year as lenders repriced loans.

Market leader Jamaica National Building Society is now offering rates of 11.49 per cent to a low of 9.8 per cent, the latter being for applicants who have at least 10 per cent of combined gross salary in a JNBS savings account.

GSB Credit Union, in September 2011 also cut its rates for a second time to 9.58 per cent for loans of J\$2.5 million to J\$15 million repayable over 35 years.

Victoria Mutual Building Society (VMBS) reduced its rates on June 1 to 10.4 per cent for savers, and 11.99 per cent for non-savers.

Scotia Jamaica Building Society, which has 9-10 per cent of the mortgage-loan market, cut its lending rate on May 1 for new homeowners, from 14 per cent to 10.75 per cent fixed for 36 months, but only to a select group of professionals and university students.

In the last listing of assets by the central bank for building societies, dated September 2011, the data shows a three per cent improvement in mortgage loans year over year.

Total mortgages for the sector up to September 2011 was valued at J\$83.35 billion for residential properties and \$1.39 billion for commercial properties.

This compares to the year prior's J\$80.998 billion of residential mortgage loans and J\$1.68 billion of commercial loans.

JNBS led the sector with J\$39.16 billion in residential loans, an improvement of three per cent over \$37.95 billion generated for the same time period in 2010.

VMBS had J\$26.33 billion in loans, a 5.7 per cent reduction; Scotia Jamaica Building Society recorded a 23 per cent increase in its portfolio J\$9.7 billion; and FirstCaribbean International Building Society grew its loans by five per cent to J\$8.11 billion.

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JPS: LNG power plant to cut US\$300m from oil bill

Friday 10th February, 2012: The Gleaner

Jamaica can slash oil imports by US\$300 million annually or roughly 10 per cent based on the implementation of Jamaica Public Service Company's (JPS) planned 360-megawatt power project, says the utility's chief financial officer Dan Theoc.

It would result in slashing customer light bills between 32 per cent and 40 per cent said the executive at AmCham Jamaica's private-sector energy forum held Thursday in New Kingston.

The plant, slated for completion in 2015 and powered by liquefied natural gas (LNG), would reduce Jamaica's reliance on costly oil imports, which topped US\$1.48 billion between January to July 2011, or 61 per cent higher than year earlier levels, based on Bank of Jamaica data.

Oil has been hovering at around US\$100 per barrel, which could equate to an annualised oil bill of more than US\$3 billion for 2011.

"Our outlook for the next five years involves fuel diversification. The 360-megawatt natural gas-fired power plant will allow us to replace aged power plants, and that will allow us to be at least 40 to 50 per cent more efficient in our use of fuel; and I believe that will allow the country to save at least US\$300 million per annum in fuel," Theoc said.

The utility executive expects the price of electricity over the period to fall from 36 US cents to 22 US cents, or roughly a 40 reduction in energy costs in "as little as 27 months" based on the slated completion date of the mega power plant.

Cheaper fuel source

LNG and coal offer a cheaper fuel source for integration into new power plants but these options have remained mostly stalled since the 1990s, in part due to political indecision. Theoc reasoned that this procrastination has resulted in substantial costs for the country.

"If five years ago we flipped the coin and said heads - coal, or tails - LNG, then today the cost of energy would have been 40-50 per cent cheaper. This debate has got to stop. Quite frankly, there is space for both coal and natural gas," he said to applause.

Phillip Paulwell, the minister of energy, mining and ICT, last month said the new Simpson Miller administration was open to Jamaica's power plants burning coal and petcoke - cheap fuels that often find themselves in the cross hairs of environmentalists because of their high carbon emissions.

Paulwell claimed their introduction could slash energy prices by half in three years.

The energy minister expects the price of electricity over the period to fall further than JPS predicts, to about 55-62 per cent or around 15 US cents per kilowatt hour.

Last year, JPS announced that construction of the 360MW LNG-fired plant would cost J\$52 billion (US\$602 million).

The plant would operate on diesel as backup fuel.

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[Jamaica eyes India for BPO investments](#)

Friday 10th February, 2012: The Gleaner

Hoping to secure a piece of the business process outsourcing (BPO) market, Jamaica plans to sell itself to businesses in India as a near-shore access point to the United States with the added advantage of an English-speaking workforce.

The size of India's BPO sector was estimated at US\$1.4 billion (J\$119b) in 2011, said Jamaica's trade promotions agency Jampro. Its projected to grow by 18 per cent to US\$1.69 billion (J\$143b) in 2012.

"It is believed that all BPO areas are attractive to Indian firms. These focal areas are primarily: finance and accounting, health-care claims processing, telecoms and media, human resources outsourcing and customer service," said head of corporate communications at Jampro, Mark Thomas.

"The Indian BPO sector is mature, with numerous players and a large labour pool. Hence it is able to offer a broad range of services to clients, from basic back-office operations, to engineering design and product testing, and is still positioning itself to attract new investors and grow its market."

Last week, Jampro, by way of advertisements, solicited tenders for a consultant to negotiate direct BPO investments from the Indian market to Jamaica, where the BPO market is relatively young and worth about US\$145 million (J\$12.33b).

Bidders are expected to provide market intelligence, advice on potential investors and facilitate business leads.

Thomas said Jamaica can offer India and other nations from the Asian region a value proposition that includes native English speakers representing the third-largest pool in the Americas; an educated and relatively large labour pool; competitive labour costs; time zone harmonisation; cultural affinity and compatibility with North America; a comprehensive suite of incentives; and modern, reliable telecommunications infrastructure.

The immediate target market is Indian BPOs and companies that are looking for a near-shore location to expand their operations to the Americas to serve North American markets.

The Jamaica Investment Forum to be held in early March would help to increase Jamaica's visibility as an outsourcing destination, Thomas said.

Jampro projects growth of 15 per cent per year through to 2015, based on in-house research, for Jamaica's BPO sector.

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Finance Minister Phillips' very difficult task

Friday 10th February, 2012: Jamaica Observer

AT first glance, Jamaica's current fiscal situation, as revealed by Finance Minister Dr Peter Phillips at Wednesday's Jamaica House post-Cabinet press conference, looks significantly worse, or as he put it "disastrously off track", than many expected.

Phillips projects a J\$10 billion dollar "fiscal gap" for the current fiscal year ending in March, meaning that the central government deficit will be \$10 billion above the revised projection. Revenues and grants are projected to end up at \$25.1 billion, or 7.2 per cent below, the revised budget, as inflows dependent on the IMF programme are not forthcoming. This suggests that expenditures, primarily capital, will need to be \$15 billion below budget in the soon to be released supplementary estimates.

Tax revenues are projected to be \$14.6 billion, or 6.6 per cent below, the revised projections for the fiscal year. This figure is however almost exactly the same as the \$14.55 billion that tax revenues are below projections for the period April to December, suggesting that tax revenues are expected to be in line with projections for the rest of the year. This seems reasonable as a higher, now clearly unrealistic, rate of tax revenue growth had been projected for the first nine months of the year relative to the last three months.

However, for the first nine months, revenues and grants were off track by \$15.42 billion, but, as previously noted, this overall number is expected to increase to \$25.1 billion. The good news is that the massive increase, from just under \$1 billion to \$10.5 billion, in the projected shortfall in non-tax revenues is largely due to a shortfall in grants. Specifically, there will be no disbursements of the programmed receipts from the European Union (EU) due to the delay in the IMF review. Hopefully, this means that the EU will still be willing to disburse these much needed grant funds, currently approximately 60 million Euro, if a new IMF agreement is negotiated as planned.

The emphasis of his presentation on the fact that the revised primary surplus target of five per cent of GDP will not met, is meaningful. The primary surplus, defined as revenue minus non-interest expenditures, is primarily a measure of debt sustainability as it refers to the amount of money left over to pay interest. Phillips stated that the deviation will be by about 1.5 per cent of GDP, giving an estimated primary surplus for the full fiscal year of 3.5 per cent of GDP, right at the edge of debt sustainability. It is worth noting that the original IMF agreement had a primary surplus target of approximately 8.7 per cent of GDP, which was the number required to bring the debt to GDP ratio close to the 100 per cent of GDP ratio over a five-year period. It had been agreed that this would be reduced to just over five per cent in the revised budget, to give Jamaica some additional fiscal space for investments with multiplier effects, but as we can see this fiscal space has also been used up. The debt to GDP ratio, estimated at 131 per cent, is therefore actually rising slightly, and not falling as originally agreed, after two years of an IMF programme.

If interest costs are about 9.5 per cent of GDP, then a 3.5 per cent primary surplus would suggest a central government fiscal deficit of about six per cent, which although not stated in his presentation (we will have to wait for the supplementary estimates to be tabled on the 21st of February) is probably not too far off. The good news is that sources suggest that the overall fiscal deficit, despite overruns in some government projects, will not be significantly higher, being offset by under-spending in other statutory corporations.

Minister Phillips' bigger challenge will be in constructing next year's budget that can satisfy the IMF and our other creditors. The very low projected primary surplus of 3.5 per cent for the end of the fiscal year will have to be increased to put us back on the path to reducing our debt to GDP ratio. As Minister Phillips notes, the seven per cent increase in public sector wages was not included in the original budget, leading to an increase of \$7.2 billion in wages and salaries, from \$133.83 billion to \$141.05 billion in the revised estimates. In addition to a multi-year period of paying back pay by way of instalments for the 2008 to 2010 contract period, the next fiscal year would see a full year of the seven per cent wage increase, as opposed to only half a year in the revised budget. The wage contract negotiations for 2010 to 2012 are just starting, and it is almost certain that the IMF will want the 2012 to 2014 wage negotiations settled (at least in principle) before signing any new agreement. At the press conference, Minister Phillips advised that a solution involving widespread public sector layoffs was "not contemplated, infeasible, and not part of the government's calculations". All of this suggests that, at the very minimum, to achieve the needed "reduction in the wage bill over the medium term", will require a multi-year freeze in public sector wages, as well as an acceleration in the timetable for pension reform.

Finally, the issue of tax reform, and improvements in administration, are, in the words of Minister Phillips, "Not a simple or easy task, but one on which the entire future of Jamaica depends". As he puts it, the Cabinet took the view that the work of the Parliamentary tax committee should continue, as it provides a "focus for consensus building". He noted that the committee had already received over 20 presentations, and expected the process to continue for a couple more weeks. In the current financial context, in the absence of anything remotely resembling a fiscal cushion, such a reform would need to be revenue positive, not only in the medium but unfortunately in the short term. It will also need to be growth enhancing, as without much faster growth, Jamaica remains very vulnerable to negative shocks.

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[Kingston's Wyndham Hotel up on the block](#)

Friday 10th February, 2012: Jamaica Observer

Caribbean Business Report understands that the Wyndham Hotel, located in New Kingston, is the subject of interest to prospective purchasers both locally and abroad.

In an effort to address speculation surrounding the corporate hotel, its chief principal Delroy Howell said: "It is well known that the hotel is under receivership and we are now looking at interested parties. The receiver, Ken Lewis of Grant Thornton, has also been talking with several individuals. The negotiations are sensitive so we cannot provide too many details at this time. What I can say is that in short order, we will be announcing some major changes for the hotel. Now this may be a purchase agreement or it could be an arrangement to refinance the property and take it back from the bank."

According to Howell, the New Kingston hotel was purchased in 2008 for a little under US\$50 million. He further added that RBTT provided a loan for US\$32 million which comprised dual funding between its Jamaican operation (RBTT Jamaica) which loaned out US\$22 million and RBTT Trinidad which put up US\$12 million. He said the rest came from equity from the shareholders.

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"Initially the interest on the loans was 6.3 per cent but then it increased to 9.5 per cent when the hotel experienced some difficulties. At one point we were paying close to US\$500,000 a month in mortgage payments. The Dudus affair back in May 2010 seriously hurt our operations at the hotel and did have an impact on our ability to meet our mortgage commitments," Howell told Caribbean Business Report at the Wyndham Hotel on Wednesday evening.

Howell, who is also chairman and an 80 per cent shareholder of First Financial Caribbean Trust Company which is incorporated in the Turks & Caicos Islands, found himself in a fierce legal battle in 2010 with a former employee of the company, Bahamian Judith Wilchombe. In October of that year she managed to oust Howell and board director Kenarthur Mitchell from the board of directors and accused both men of failing to account for US\$13.9 million in assets. This saw Howell's assets initially frozen by the courts but subsequently lifted.

How has this affected the operations of the Wyndham Hotel in New Kingston and what impact is this likely to have on the divestment of the hotel?

"When that lawsuit was brought, which I must say was unnecessary and unwarranted by Wilchombe who was not a shareholder or director, a freezing order was put in place. Now freezing orders always cause damage to operating businesses because it doesn't allow you to service certain obligations and that is why certain properties run into trouble with the bank. Let's not forget that the loan has to be serviced, but if you have an unreasonable attorney on the other side that makes it difficult.

"This lawsuit caused great problems because of the injunction that was unnecessarily put in place," said Howell.

Asked whether he lost any properties in his business operations in Jamaica, The Cayman Islands, The Bahamas and the Turks & Caicos as a result of the freezing order, Howell said: "I lost one residential property in the United States as a result of this situation with First Financial. We potentially could lose some more properties in the Cayman Islands and Jamaica. But certainly, yes, it did affect some of my properties throughout the world."

So what is the state of his legal battle with Wilchombe now? Will it become a protracted affair?

"Well, as you know, the company was handed back to me with the shares transferred back to me by Judith Wilchombe. She reappointed me back as chairman of First Financial Caribbean Trust Company. A number of beneficiaries and shareholders have joined in a legal action with us to get the liquidator removed so that we can once again fully control the company. Wilchombe and I have settled our disagreements; it was unfortunate but we are now at one accord. The reason why this has dragged out is that the liquidator and her attorneys put in an interim bill for US\$1.3 million. We hope that the court can realise such a bill will deplete the assets of the trust," said the Wyndham boss.

When asked about refinancing efforts to remove the receiver and retire the debt of the Wyndham Hotel, Howell said: "I don't want to go into too much detail with this but I would say yes, we are in the process of finalising those arrangements, but I wish not to go further because of the sensitive nature of these negotiations, and I don't want to prejudice anything one way or the other.

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[Industries eye 5 year plan to spur growth, formal jobs](#)

Friday 10th February, 2012: Dominican Today

The industrial and free zones sectors have been working during one week to stage the Dominican Industry's 2nd Congress, aimed at developing a five year strategy to spur the sector's growth and formal jobs.

The announcement was made yesterday by Industries Association (AIRD) president Ligia Bonetti, vice president Circe Almánzar, and the business leaders Yandra Portela, Luis Manuel Pellerano and Jose Manuel Torres, together with National Competitiveness Council director Andres Van Der Horst.

The industrialists seek a plan with consensus on the country's industrial development, compiling the various ideas, as well as influencing the next Administration to work on a plan based on strategic development, and globalization and competitiveness, for Dominican industries to compete on a level field..the regulatory agencies and [BEC] that nothing was done."

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[“Disproportionate” jumps in construction materials worry suppliers](#)

Friday 10th February, 2012: Dominican Today

Hardware Store Association president Domingo Diaz today said the sector is concern with sharp jumps construction materials, including cement and rebar, which he called “disproportionate,” while their sales have fallen 40%.

Quoted by newspaper Hoy, the business leader said they're worried about rising prices on some hardware articles, mostly rebar, which now costs RD\$2,300 per 100 pounds, a price he says no one imagined it could reach at this time.

“This increase means almost 10% more than its previous price,” Diaz said after attending a mass in the Colonial Zone to mark Hardware Dealer Day Wednesday.

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Haitians told 'form voting bloc' in The Bahamas

Friday 10th February, 2012: Caribbean News Now

Haitian President Michel Martelly on Wednesday urged his countrymen to form a voting bloc in The Bahamas and align themselves with the political party that will best serve their interests. "I told them to organize themselves and identify in the upcoming elections who is on their side. That way they can become a force. By being [unified] in the elections they might have people taking care of them. . .this is the democratic way," Martelly told reporters on Wednesday.

He was reiterating statements he made in Haitian Creole as he spoke to thousands of Haitians and Haitian-Bahamians on Tuesday night.

Police on the scene estimated the crowd at 6,000. Many of them converged outside the hall anxious to hear their president speak.

His meeting with the members of the Haitian community in The Bahamas kicked off his brief official visit to the country.

Many people of Haitian descent who were born in The Bahamas, and some Haitians who came to The Bahamas illegally many years ago have been granted citizenship over the years.

Martelly said he heard reports of Haitians being mistreated in The Bahamas, for example being arrested for illegal immigration although they had permits to work or reside in the country.

He also lamented the plight of 'stateless' people who have to wait until their 18th birthday to apply for Bahamian citizenship even though they were born in this country.

"So until they're 18 they don't belong to anywhere, and yet they were born here, meaning do I have to tell anyone if you send them back to Haiti they probably don't know anybody or won't recognize the place where they land?"

"This could be considered as a crime, but that's not the issue to talk about crime here; the issue is to stand by them and find the right solution. Be responsible, be humans and see how to better assist these Haitians," said Martelly at a press conference on Wednesday.

However, he said he did not urge Haitians living in The Bahamas to protest, but instead use this country's democratic system to work in their favour.

"I could not ask my people to riot for their right, this is not what I want," he said.

The president said his government is working to create job opportunities so his people do not have to leave the country to make better lives elsewhere.

At the meeting with Haitians on Tuesday night, Martelly encouraged them to return home and help rebuild the poor nation. He said it would be hard to convince foreign investors to help develop the country if its own people are leaving in droves.

An official who works for the Haitian Embassy translated his comments into English for The Nassau Guardian.

“I’m asking for your support, everyone get together with me, unite with me. We are going to create jobs for Haiti so Haitians don’t have to leave Haiti to look for jobs elsewhere,” he said in Creole, eliciting cheers from the crowd.

“ . . .Those that want to leave now I’m telling you go with me tomorrow.”

The purpose of Martelly’s visit was to rebrand Haiti as a nation ripe for investment and full of opportunities.

The president, who was elected last April, said Haiti is no longer looking for international aid but wants to forge new ties in trading.

The country needs foreign investors to help build homes, roads and other infrastructure for the struggling country, according to the president.

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[Haiti making progress on rule of law but faces serious challenges, says UN expert](#)

Friday 10th February, 2012: Caribbean News Now

Haiti has made some progress in restoring the rule of law, the United Nations independent expert on the human rights situation in the Caribbean country said on Wednesday, citing as examples the appointment of the president of the highest appellate court and the upcoming establishment of the supreme council of the judiciary.

“During my last visit I received important and promising commitments from President [Michel] Martelly, namely the implementation of the rule of law,” said Michel Forst, the independent expert on the situation of human rights in Haiti.

“Most of these promises were kept and major announcements are now a reality,” he said at the end of his nine-day visit to the country.

He also cited Haiti’s ratification of the International Covenant on Economic, Social and Cultural Rights (ICESCR), which he said was important for the access to certain rights, including the right to education and health, as well as the right of every Haitian to be free from hunger.

Serious challenges, however, remain, Forst said in a press release. “President Martelly has made rule of law one of his top priorities for his mandate, but the implementation of the rule of law requires a sound political action.”

“The population needs to see that the rule of law prevails in Haiti,” he added, calling for the appointment of an inter-ministerial rule of law coordination mechanism within the government.

On justice, Forst stressed the need to deal with the problem of prolonged pre-trial detentions, saying there are still too many suspects who have waited for too long to be brought before a judge and are often held in conditions that would be considered “cruel, inhuman degrading” under the UN Convention against Torture.

On conditions in camps, he called for the adoption of a national comprehensive urban planning strategy that would allow internally displaced persons (IDPs) to return to their communities of origin in acceptable conditions, and not to makeshift shelters.

He reiterated his disappointment with reports that former Haitian president Jean-Claude Duvalier may not face charges relating to the serious rights violations that took place during his 15-year rule.

“My first thoughts go to the victims and their families, and I support their decision to appeal the judge’s decision in order to proceed with the case,” Forst said.

Meanwhile, the special representative of secretary-general and head of the UN peacekeeping mission in Haiti (MINUSTAH), Mariano Fernández Amunátegui, said that he had learned with sadness of a fire in one of the IDP camps in the capital, Port-au-Prince, on Wednesday that killed a child. Two other children are missing.

He said MINUSTAH had sent a medical team, two ambulances and two water tankers to assist Haitian police and the UN police on their rescue mission and to put out the fire.

Fernández Amunátegui sent his heartfelt condolences to the family of the young victim and hoped that the two others reported missing will be found and returned to their families.

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[Grenada Gets Top Rank for Investment Promotion, Bests Trinidad and Jamaica](#)

Friday 10th February, 2012: Caribbean Journal

Grenada's Industrial Development Corporation has been ranked first among 77 investment promotion institutions in Africa, Caribbean and the Pacific, according to the Global Investment Promotion Benchmarking 2012 report, a joint effort by the World Bank Group.

The country's GDIC was ranked ahead of Trinidad and Tobago and Jamaica, which finished second and third, respectively; the country's overall rank was 26th worldwide.

The report said that, despite having a team of only five people, the GIDC focused on "speed and teamwork."

"Knowing it must distinguish itself from other small and relatively remote Caribbean countries competing for FDI, GDIC set about making speed its competitive advantage," the report said.

It pointed to Grenada's high-speed approach, which focuses on quick responses to inquiries. In 2009, for example, a St Lucian manufacturer was looking to get a facility up and running by the end of the year.

"In eighth months, GDIC took the company from initial inquiry to operations, getting factory space built, licenses issues and workers hired," the report said.

The investment brought \$5 million in capital investment to the economy, or about 0.5 percent of Grenada's GDP that year.

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[CAL launches in St Lucia](#)

Friday 10th February, 2012: Trinidad Newsday

Today is a busy day for Caribbean Airlines. Three history-making events are scheduled to take place, all at Piarco International Airport.

Firstly, Transport Minister Senator Devant Maharaj will speak at a press conference on the inauguration of daily turbo prop service to the George F Charles Airport in Castries, St Lucia. That flight leaves almost immediately after the press conference.

The minister is also expected to address the issue of later night flights to Crown Point International in Tobago beginning this evening.

The culmination of this red letter day in the history of Caribbean Airlines is the arrival for the first time ever of a B-747 operated by the state-owned airline. The aircraft is expected to land at 5.30 pm with a load of 437 passengers from New York — 417 in economy and 20 in Business Class.

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[US\\$6b Saudi project explained to US](#)

Friday 10th February, 2012 - T&T Express

Energy Minister Kevin Ramnarine said yesterday his Ministry responded to concerns raised by United States Ambassador Beatrice Wilkinson Welters over proposed energy projects worth US\$5.7 billion with Saudi Arabian state company SABIC.

Speaking at the post-Cabinet press conference at the Diplomatic Centre, St Ann's, Ramnarine confirmed a report Wilkinson Welters wrote to him expressing concerns about the project.

He did not give details of the concerns raised, saying private companies were involved but he assured the permanent secretary in his ministry responded to the Ambassador. Ramnarine said the evaluation process was transparent and above board.

He said following the submission of bids, the evaluation committee provided the ministry with a report in December 2011 which was taken to Cabinet in January.

The evaluation committee recommended RFPs from SABIC and Chinese company Sinopec (for another project) which Cabinet accepted and authorised the ministry along with the National Gas Company (NGC) and the National Energy Corporation (NEC) to enter into negotiations with the consortium.

The projects—a methanol to petrochemicals and methanol to olefins—will see billions of dollars in foreign direct investment and requires 2,000 hectares of land available north of the Point Lisas Industrial Estate, Ramnarine told the Express.

He said at peak construction it will generate some 10,000 jobs in the industry. Ramnarine added this project will see the diversification of the energy sector into downstream industries.

He also announced Cabinet considered the US\$300 million Eastern Caribbean Gas Pipeline project to which Government reaffirmed its support.

This project will, by and large, be privately funded, said Ramnarine, adding that 30 million standard cubic feet of gas per day will be utilised.

This amounts to less than one per cent of what is produced daily in the country.

He said the pipeline project which will run under 188 miles of seabed and begin from Tobago to Barbados is an historic one which will start in 2013 and is expected to be completed in 2015. Caricom neighbours who are facing tremendous strain because of rising oil prices will benefit from this initiative which will provide security for Caricom in the 21st century, he said.

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[Cabinet green-lights SABIC negotiations](#)

Friday 10th February, 2012 - T&T Guardian

Cabinet yesterday agreed to give the Ministry of Energy the green light to start negotiations with a consortium of Saudi Arabian and Chinese companies on its proposal to construct two petrochemical complexes totalling US\$5.3 billion, Energy Minister Kevin Ramnarine said yesterday.

“Cabinet has authorised the Ministry of Energy, together with the National Gas Company and the National Energy Corporation to enter into negotiations and discussions with SABIC and Sinopec for the establishment of a methanol-to-petrochemicals and methanol-to-olefins complex in T&T,” Ramnarine told yesterday’s post-Cabinet news conference at the Diplomatic Centre in St Ann’s. The Ministry of Energy got the greenlight despite the letter written by US Ambassador to T&T, Beatrice Wilkinson-Welters complaining about the selection process. Ramnarine yesterday confirmed that the Government had received the official letter from the ambassador.

In response to questions on the issue during yesterday’s post-Cabinet news conference at the Diplomatic Centre in St Ann’s, Ramnarine said the letter was dated February 1, 2012. He said the permanent secretary in the minister responded to the US Ambassador’s letter. “We have replied to each one of the concerns raised by the US Ambassador,” Ramnarine added. Asked to comment on the specific concerns expressed by the US Ambassador, Ramnarine declined.

He said later the process of selecting the successful bidders was conducted by an evaluation team “consisting of members of staff of the Ministry of Energy, the National Energy Corporation and the National Gas Company.” He said that team was made up of “some of the more reputable people in the industry.” He said each member had 20 years experience in these matters “so the team itself was a team of persons with great experience,” Ramnarine added.

He said a steering committee “oversaw what they did.” The committee was chaired by the Permanent Secretary in the Energy Ministry. “The process itself was conducted with a high degree of transparency, openness and we are very satisfied that it has thrown up a recommendation that the Cabinet has accepted,” Ramnarine said. He said the recommendation was not the approval of a project but an authorisation for the ministry to enter into negotiations with SABIC and SINOPEC, the Chinese state-owned oil company.

Planning Minister Bhoendradatt Tewarie said if a country had a concern “it was legitimate and reasonable for the Ambassador to raise that issue but it is equally legitimate for a Government of the country, having followed due process and tried and tested procedures to satisfy the concerns raised by the Ambassador and then proceed with their business.”

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[20 years before shale gas production](#)

Friday 10th February, 2012 - T&T Newsday

The need for natural gas exports to the United States will be eliminated over the next 20 years as they increase production of shale gas.

Amy Myers Jaffe, associate director of the Energy Programme at Rice University's James A Baker III Institute for Public Policy, said this on Monday while addressing the Trinidad and Tobago Energy Conference at the Hyatt Regency, Port-of-Spain. Shale gas refers to natural gas that is trapped within shale formations. Shales are fine-grained sedimentary rocks that can be rich sources of petroleum and natural gas.

In November last year, Energy Minister Kevin Ramnarine blamed rising US shale gas production for the sharp fall in TT's export of liquified natural gas (LNG) to the USA. Jaffe said the US was now poised to provide a surplus of natural gas at least in the Americas.

She noted the location of shales across the world has caused a paradigm shift that has already reduced the power of Russia in the international community. "The leverage on Europe has been reduced because of LNG and maybe in the future because of shale," she said. Jaffe pointed out there were very attractive shales in Canada, Mexico, Argentina, Australia and the US.

She added shale gas production will become more than 50 percent of US output that is going to shrink the opportunity for exports of LNG into the United States.

Jaffe said Trinidad and Tobago and its exports continue to do well and it will be the only LNG that will continue to flow in the US.

She said that country getting its pricing right for its LNG will continue to be a major benefit as the Australian LNG wave is expected to hit around 2014.

She advised for Trinidad and Tobago to remain competitive it has to consider its pricing to downstream suppliers very seriously.

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[Digicel first to offer carrier billing](#)

Friday 10th February, 2012 - T&T Newsday

Digicel is the first provider in the Caribbean and Panama to integrate carrier billing with BlackBerry App World™.

Enabling the convenience of a single monthly bill, Digicel's customers will now be able to charge their app purchases from BlackBerry App World directly to their Digicel monthly phone bill or using their Digicel prepaid credit.

The service launched in Panama for prepaid customers in mid-October and has since been rolled out across Digicel's 23 Caribbean markets.

BlackBerry App World is the official app store for BlackBerry smartphones and is designed to allow customers to easily discover and download applications.

David Hodgers, Digicel Group Head of Products, commented: "We are delighted to be delivering another important first to our customers in Panama and across the Caribbean.

BlackBerry App World™ offers thousands of opportunities for customers to access and enjoy their music, games, news and entertainment in the way they want.

"Now, they can access a broader world of entertainment and information, and buy and pay for apps simply and securely via their monthly phone bill or their prepaid credit, enjoying a truly personalised smartphone experience."

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CAL blamed for LIAT's woes

Friday 10th February, 2012 - T&T Newsday

Trinidad and Tobago's Caribbean Airlines Limited (CAL), is being blamed for the financial and other woes now afflicting regional airline LIAT.

The accusation came from chairman of the Shareholder Governments of LIAT Dr Ralph Gonsalves who is also Prime Minister of St Vincent and the Grenadines, following a recent series of meetings in Barbados involving the three prime ministers — Freundel Stuart of Barbados, Baldwin Spencer of Antigua and Barbuda and Gonsalves, with stakeholders, LIAT Board, managers and union leaders.

The meetings had been called to discuss the deteriorating situation of LIAT and what could possibly be done to turn the airline around, including cash injection, improving its cash flow problem and peace on the industrial relations front.

Speaking after the meeting, Dr Gonsalves said the triumvirate of prime ministers were "deeply concerned" over the unfair competition in the regional aviation environment, taking aim particularly at the fuel subsidy being enjoyed by CAL.

"Let's face it; they (CAL) have a subsidy, a very significant subsidy for aviation fuel. While they (CAL) pay US\$50 a barrel, we(LIAT) pay US\$110 –\$120 and sometimes more. Clearly no one wants to stop CAL and no one can properly stop CAL coming on any set of routes, but let's have a level playing field and fair competition," he said.

But the subsidy argument is somewhat disingenuous, since those same leaders have for years paid millions of dollars to foreign airlines, mostly US-based, for airlift into their countries to assist in sustaining their tourism sectors, which in the majority of cases, are the lifeblood of their individual economies.

It has been known too, that the LIAT shareholder governments have themselves upbraided their own Caricom counterparts for doing that same thing, (paying foreign carriers for airlift) while refusing to pump any cash into a very sick LIAT, in spite of the fact the airline continued to service their island states.

Gonsalves went further and said LIAT's owners felt the unfair competition now being experienced was subversive of the Revised Treaty of Chaguaramas as well as the Common Air Services Agreement in CARICOM and insisted this had to be addressed.

The Vincentian prime minister, who also has responsibility for air transport within Caricom, revealed he had been mandated to take these concerns to the Government of Trinidad and Tobago, which is led by Prime Minister Kamla Persad-Bissessar, in an effort to find a solution. He did not disclose whether he planned to ask PM Persad-Bissessar to extend CAL's fuel subsidy to LIAT as part of a possible solution.

Gonsalves also said he would accelerate efforts to have a meeting of Caricom Ministers of Air Transport convened as soon as possible to work towards developing, among other issues, a regional air transport policy for member states. However, Gonsalves did admit competition from a subsidised CAL was not the only factor affecting LIAT.

He also identified competition from Barbados-based Low Fares Airline (LFA) REDjet on certain routes as an additional problem for the airline, as well as high, fluctuating fuel prices and the high cost of maintenance, given the airline's ageing fleet. He agreed too, that some serious and far-reaching decisions were necessary for the survival of the airline.

Some of the measures to be taken in the short term, according to Gonsalves, were the need to improve revenue streams, while reducing the unit cost of operations. These could be achieved by reduction of staff throughout the system and the discontinuation of non-profitable routes.

Gonsalves announced LIAT's board of directors had presented the shareholder governments with several options to keep the airline in the skies. "We adopted from the board a bundle of proposals relating to a recovery plan in the short term, which will stem the cash flow problems," he said.

He said the prime ministers were looking at a number of routes which would have to be reassessed as to viability and profitability and as far as fleet renewal was concerned, there were some proposals before them which they would study and report back to the Community within two or three weeks.

A bright spot on LIAT's horizon however, is an expression of financial support from two other Caricom states — St Lucia and Dominica — which prompted Gonsalves to say, "If we get two other governments, that will make us five. That is pretty good and once that momentum comes, I am sure others will come along, because we have been — the three shareholder governments — we have been soldiering on for the last 11 years."

Host Prime Minister Freundel Stuart of Barbados, who, although describing the meeting as successful and helping to pave the way forward, said a way must be found to stop the "very pronounced haemorrhage" being experienced at the airline.

"We have to come to certain conclusions on ways to control expenditure and at the same time to make our revenues a little more attractive.....It is not easy for any business to lose \$20 million in 2010 and then more than \$40 million in 2011. You obviously have serious problems and we had to stop and ask ourselves some fundamental questions about LIAT," he said.

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[NFM appoints a new director](#)

Friday 10th February, 2012 - T&T Newsday

National Flour Mills Limited (NFM) has appointed Alimuddin Mohammed to its Board of Directors 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 held on January 27 to fill the vacancy created by the death of director Mayanti Beharry and shall hold office until the next Annual Meeting of NFM at which time he will be eligible for election as a Director. Mohammed is a businessman with extensive experience and training in the insurance industry and has also held various positions in the San Juan Business Association.

He is a past president of that Association and is currently its Director of Education and Research.

He also served on the Board of the Tourism Development Company Ltd and the National Commission for Self Help, and is an avid community and social worker who is actively involved in local culture.

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Dealing with Industrial Action

Friday 10th February, 2012 - T&T Newsday

This is an issue that has long grabbed headlines in the media and has been the subject of many requests for advice from employers therefore we see it fit to provide guidance on the issue.

Industrial Action may most commonly take the form of strike by employees, lockout by the employer, or any form of action that disrupts production and is taken in furtherance of an industrial dispute.

It includes action commonly known as “sit-down strike”, “sick-out” and “go-slow”.

Industrial action is regulated by Part V of the Industrial Relations Act 1972.

This legislation limits how and by whom industrial action may be taken and makes it an offence for industrial action to be taken that is not in conformity with the Act.

It also imposes strict time limits and requirements for giving notice in relation to taking Industrial Action.

Employers please take careful note of these limits so that you are aware of what constitutes action that is legal or illegal.

Strike or lockout action can only be taken where the dispute is an “interest dispute” as opposed to a “rights dispute” and we must first appreciate the difference between these two types of disputes.

An “interest dispute” is a dispute between a trade union and an employer arising out of the negotiation of terms and conditions of employment that are to be included in a proposed collective agreement.

On the contrary, a “rights dispute” concerns the application of existing terms and conditions of employment.

It can include disputes relating to dismissal, suspension or refusal to employ.

If a “rights dispute” remains unresolved, after being reported to the Ministry of Labour, it may then be referred to the Industrial Court for determination.

Strike or lockout action cannot be taken in relation to a “rights dispute”.

An interest dispute may also be referred to the Court but there is the option for either or both parties to the dispute to take strike or lockout action, a principle that was stated in Complaint No 8 of 1974 between Trinidad Footwear Ltd And Transport and Industrial Workers Union.

Take careful note that only a recognised majority union can take action by way of strike — S 59(4) of the Act, therefore such action in a non-unionised environment is not permitted.

Also note that strike and lockout action is not permitted in the Essential Services eg Electricity, Hospital and Fire Services.

S 63 of the Act deals with what may occur if action is taken that is not in conformity with the Act.

If the employer is guilty of such action, he commits an Industrial Relations Offence and is liable to a fine of twenty thousand dollars.

In the case of a trade union, a fine of \$10,000 can be imposed as well as the Court may order the cancellation of its certificate of recognition.

Workers in non-unionised workplaces are not permitted under the Industrial Relations Act to take strike action.

Where a worker takes part in industrial action that is not in conformity with the Act, the employer may treat it as a fundamental breach of contract.

Such a breach may entitle the employer to terminate the employment of such workers.

In addition, the principle of “no work, no pay” applies where workers absent themselves deliberately from the job, and an employer is not obligated to pay workers for such time away. An employer also has the right to discipline employees for any authorised absences from the job.

In closing, we ask employers to seek full and proper advice on handling such issues before taking action.

As stated previously, Industrial action can lead to huge disruptions and losses in production and if issues can be ironed out amicably without resorting to such action, then all efforts should be made to pursue that avenue.

For further information, advice and consultation please contact the ECA at 625-4723

The ECA – Equity, Conscience and Achievement

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[PetroCaribe investments expand in Cuba](#)

Friday 10th February, 2012- Caribbean News Now

Investments to expand oil refining capacities in Cuba have advanced with the cooperation projects for regional integration boosted by PetroCaribe in the field of energy.

This initiative promotes the expansion of the refineries of Hermanos Diaz, in Santiago de Cuba, and Camilo Cienfuegos, in Cienfuegos.

Works will include the construction of an adjacent area of temporary facilities to support the project, which include warehouses, a clinic to treat workers, and the administrative building of the contractor.

According to the PetroCaribe website, with these modernizations, the two Cuban entities will increase their capacity of crude oil refinement to 150,000 and 50,000 barrels per day, respectively.

Statements by Rafael Ramirez, president of Petroleos de Venezuela SA (PDVSA), published by the PetroCaribe website, point out that the construction of another refinery to process 150,000 barrels of oil will also be built in Matanzas, which is part of the economic development program boosted by the Bolivarian Alliance for the Americas (ALBA).

With these new work plans, 570,000 barrels per day capacity will be added to the Latin American and Caribbean region, added the website.

At present, PetroCaribe guarantees over 45 percent of the energy safety of ALBA member nations. The oil company was created in 2005 following a cooperation agreement in this field signed by 14 countries, during a meeting of Caribbean heads of state and government held in Puerto La Cruz, Venezuela.

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[Peruvian airline inaugurates Lima-Havana route](#)

Friday 10th February, 2012- Caribbean News Now

The LAN Peru national airline inaugurated on Thursday a route that will link Lima and Havana, Cuba.

Officials of the tourism ministry said that opening the route will be an A319 aircraft with a capacity of 135 passengers, among them top level executives, and that it will fly three times a week. The new route will accommodate connections from dissimilar destinations -- Latin America and the Caribbean, and particularly Argentina, Colombia, Ecuador and Chile.

LAN Peru is one of the subsidiaries of a larger company, LAN Chile, founded in 1929, and operates a group of companies in those nations. It became LAN Airlines in 2005, with international medium and long range destinations.

Two years ago, it merged with the Brazilian TAM Linhas Aereas, which created LATAM Airlines, the largest aero-commercial consortium in Latin America and one of the largest in the world. The two companies, however, will maintain operations separately.

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[No 10% cut, says Sir Roy](#)

Friday 10th February, 2012- Nation News

The head of the island's largest trade union has said no way to a controversial ten per cent pay cut proposal made by businessman Andrew Bynoe.

Barbados Workers' Union general secretary Sir Roy Trotman contended yesterday that Bynoe's proposal was off target and not well thought through.

He said such a move would result in "a spiralling down of conditions".

"If we were to reduce the earnings of the workforce of Barbados by ten per cent as Mr Bynoe would dictate, then we're not only talking to people like Andrew Bynoe or possibly myself who might be able, with a squeeze, to manage on that, but we're talking about shop assistants who work for \$5 an hour We're talking about security guards who get paid \$4.50 an hour and there may be some of them getting enslaved for less than that," Sir Roy said at a press conference yesterday.

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Firm stance on CLICO

Friday 10th February, 2012- Nation News

With judicial managers in Barbados and Trinidad and Tobago trying to sort out the CLICO collapse, Grenada is keeping a close eye on the court actions in Bridgetown and Port-of-Spain.

That indication came from Grenada's Prime Minister Tillman Thomas, who told BARBADOS BUSINESS AUTHORITY that tens of millions of dollars invested in CLICO and British American by Grenadians and others in the Eastern Caribbean couldn't be ignored in the wake of the CLICO collapse.

"We are focusing on what's taking place in both countries. There is a judicial management team in the OECS as well," the prime minister explained.

"There is lots of money involved in the OECS states, both British American and CLICO, and people would want to get back their money. They invested millions of dollars in both companies and they want to get back their investments so they can get involved in other things. They deserve to get some returns on it."

Thomas said it was crucial that people in Grenada get "whatever money is due to them, not less than what they invested".

"We are trying to work towards a solution. In recent times there were some signs with Trinidad and Tobago becoming a little more positive in its approach to a solution.

"The Grenada problem is linked to CLICO in Barbados and Trinidad and Tobago. These companies . . . had agencies working in the small islands and people invested their money in them."

Meantime, the group representing the interests of CLICO and British American Insurance Company (BAICO) policyholders in Barbados has indicated that it will not accept anything less than every cent owed to its members. And it will head to court if it has to.

This firm stand has been taken despite Caribbean Development Bank (CDB) president Dr Warren Smith saying last week it was unlikely that all the money invested would be returned. The Barbados Investors and Policyholders Alliance (BIPA) said it remains resolute in its stance to recover it all.

That was articulated last week by chairperson June Fowler at BIPA's first meeting this year.

"Words recently quoted in the media, including 'unlikely' and 'regrettably', are simply not in the vocabulary of the alliance," BIPA said.

“And whilst respecting the right of the CDB president to express his opinion, Fowler reiterated that BIPA will not accept any proposed resolution to the matter which offers less than 100 per cent repayment of principal plus interest, and in a timely manner.”

BIPA members added that they were committed to using all avenues and remedies to ensure a “fully satisfactory outcome”, including via law courts.

Meantime, BIPA has asked the court to allow it to join as a co-claimant to the Judicial Management process.

The court application was first heard on January 27, followed by a further hearing on Wednesday.

The matter will come up again on Wednesday.

During the meeting, BIPA’s attorney-at-law Tariq Khan said that as a registered non-profit company solely representing the interests of the policyholders affected by the insolvency of CLICO and BAICO, BIPA was naturally concerned with the outcome of the Judicial Management process.

The Alliance therefore sought and has now received a raft of Judicial Managers’ Reports, which detail the insolvency of the said institutions and the measures taken by the Judicial Managers to date, along with other relevant details. (TB/DP)

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Time to pass the Freedom of Information Act

Friday 10th February, 2012- Nation News

The Leader of the Opposition recently published a statement calling for greater transparency with respect to the Four Seasons project, following the publication of selected information by the project's chairman. We should all welcome greater transparency and accountability in relation to the spending of public funds, subject to the need for confidentiality of commercially sensitive information.

In fact, the level of disclosure demanded by the Leader of the Opposition approaches levels seldom seen for Central Government and Government-owned enterprises, but would certainly be very welcome.

It might therefore be an opportune time to look past the specific matter of the investment in Four Seasons and encourage public debate on the general question of transparency and accountability.

In recent times Parliament has seen bills or resolutions to guarantee borrowings of \$160 million by the Barbados National Oil Company Limited, US\$60 million by Clearwater Bay Limited, and \$40.6 million by the Caribbean Broadcasting Corporation. Were financial analyses laid in Parliament to support these guarantees, and if not, on what basis were the guarantees approved?

Presumably when these matters are discussed in Cabinet there are papers which set out the full justification – why couldn't most or all of this information be provided to parliamentarians and the general public?

In addition we have been told of plans to have the National Insurance Fund finance operations of the Barbados Tourism Authority, Transport Board, University of the West Indies, and Needham's Points Holdings.

What relevant financial or other information has been made public in connection with this? What about disclosure of information related to the general operations and special projects of the National Housing Corporation, Barbados Water Authority and other Government statutory bodies, some of which are years behind in completing their annual financial statements?

It would certainly contribute to greater transparency and accountability if meetings of the Public Accounts Committee (PAC) were open to the general public and its annual reports published promptly along with minutes of its meetings.

There is a great deal of work to be done by the committee to follow up on mismanagement and potential theft of public funds as reported annually by the Auditor General and the public has a right to be kept apprised of these efforts.

Matters that are reported have to be addressed at a strategic level and not simply piecemeal – there is simply too much fiscal irresponsibility and too little accountability in the public sector – and we need to hear the recommendations of the PAC.

But it is not only financial information to which public access is required. Isn't it time that the laws of Barbados were available for download free of charge? Shouldn't guidance notes and explanatory notes be published for all legislation? When will the public have access to the internal policy documents used by Government departments and public sector entities?

Transparency and accountability are not best served when public officials may cherry-pick which information they choose to disclose, and the timing of this disclosure.

The Freedom of Information Bill speaks to a constitutional right to information held by public authorities. Let us also pass the Freedom of Information Act and acknowledge the right of our citizens to access certain information.

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[Business ops in recycling](#)

Friday 10th February, 2012- Nation News

More factories in Barbados should process recyclable materials and turn them into new products.

This was one of the ideas coming out of a CoRe Network Recycling Made Easy workshop, hosted recently by the Future Centre Trust at Pax Hill, Belmont Road.

While there are companies that collect recyclable materials from homes, businesses and community centres, only a few processing plants turn that material into various end-user products.

Vicky Merrick, project coordinator of CoRe Network, noted that there were companies processing used vegetable oil into biodiesel and certain types of household waste into mulch, but in most cases glass, plastics and metals are shipped overseas to be processed.

“We have a company here that was making tiles for our roofs out of old Coca Cola bottles,” said Merrick.

“The point is that there aren’t too many places in Barbados. We need more factories that are making this stuff here is what I’m trying to say,” she said as she went through a list of items that could be recycled in Barbados.

“We’ve talked about mulch. We’ve talked about tyres but most of what we collect, we ship overseas,” she told participants at the workshop.

“Paper, cardboard, metal, plastic; it goes to China. It goes to Canada. It goes to Colombia for the most part, so all of you young people, try and start businesses and factories,” Merrick said to secondary school students in the audience.

The project coordinator went on to reiterate that recycling not only reduced the amount of garbage that ended up in the landfill at Mangrove, St Thomas, but also earned foreign exchange for the island.

“When we sell that stuff overseas, we get outside dollars coming in and that is a good thing,” she stressed.

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[BICO looking forward to a better year](#)

Friday 10th February, 2012- Barbados Advocate

There's light at the end of the tunnel for BICO, says Chairman Edwin Thirlwell.

After experiencing a challenging 2011 due to static sales and revenues combined with rising overheads and operating expenses, the manufacturer and distributor of ice cream is looking forward to the remainder of the 2012 financial year in which margins are expected to improve significantly.

According to the company's annual financial report for the twelve-month period October 1, 2010 – September 30, 2011, ice-cream sales increased marginally when compared to the previous period, while revenues at the Harbour Cold Store were in line with freight volumes through the Bridgetown Port.

BICO's Harbour Road facility was destroyed by fire in August 2009. The fire caused extensive damage to the engineering area, raw materials storage and the manufacturing plant.

Expanding on the company's performance, Thirlwell explained, "In 2011, much attention was paid to maintaining market share and keeping staff employed. We are still feeling the effects of the fire which destroyed our manufacturing plant in August of 2009.

"In order to meet demand and maintain market share we embarked on what we hoped to be a short-term arrangement with manufacturers in Canada for an extended period of time, which impacted negatively on our profitability."

He also observed that the state of the global economy continues to play a major role in the fortunes of the company. He said, "Towards the end of 2010, I believe the consensus was the world would recover in the third quarter in 2011, [but] that was not the case. It was clear to us by the middle of 2011 we would not recover; but I don't think anyone believes we will recover this year. It causes us to look at the position of the company to prepare for the long haul because this will not be a quick fix."

As such, one of the strategies BICO adopted was to shift production within CARICOM. That decision has worked well for the company thus far, with Thirlwell reporting the quality of product being up to standard, freight cost reduced and duties no longer being applicable.

The Executive Chairman expressed the belief that the benefits of this move should be seen in the current financial year. Overall, BICO suffered losses of approximately Bds\$2million in this financial year when compared to a profit of over \$500 000 in the previous year. This was a direct result of the company's emphasis on maintaining market share along with its commitment to maintaining employment levels. (NB)

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[Tourism team planning for tough summer](#)

Friday 10th February, 2012- Barbados Advocate

While some worry has been expressed over the effect that the Summer Olympic Games is going to have on tourism in Barbados, Minister of Tourism, Richard Sealy, assures that measures will be put in place.

The Minister spoke of the plans in an interview with the Barbados Advocate on Wednesday night during a visit to Crystal Cove Hotel. Sealy indicated that that time in tourism will be challenging, but that the Minister will do everything possible to interest visitors.

“We are going to put some specials out in the market to try to get people to come that time of year. I made the point already that it is going to be a challenge. I didn’t say that we are going to give up, but the United Kingdom is our number one source market and the fact is that London Olympics is a once in a lifetime event and people who may have been inclined to bring their families to Barbados for the summer will probably want to stay home so that they can carry that same family to see something that is once in a lifetime,” he stated.

While there are a lot of people who will not be leaving London this summer, Sealy pointed out that many will be looking for an escape from the chaos that will overtake the city during the Games.

“There is a view that because London on a normal day is a very congested city, it’s going to be chaos during the Olympics and some people will want to leave. So we have to also provide some incentives for those persons who would prefer to lay down on the beach and watch the Olympics on a television set. So we are working as much as possible to benefit from that situation,” Sealy said.

The Olympics are not the only travel deterrents that the tourism sector may have to grapple with this year, as it is also an election year in the United States, which is typically synonymous with Americans remaining at home.

“The thing about the US is that there is a trend that has been picked up that usually when there is a presidential election Americans tend to stay at home. This is a year of presidential election, so that is again just something that we are aware of and we will have to intervene in the market place as best we can to see if we can encourage some more travel,” Sealy stated.

Despite the apparent challenges facing the tourism sector this year, the Tourism Minister remains confident in Barbados as a destination and maintains that his team will intervene wherever possible to bring visitors to the island.

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[Belize joins the Salud Mesoamerica 2015 Initiative](#)

Friday 10th February, 2012- Caribbean News Now

On Thursday, Belize joined the Salud Mesoamérica 2015 Initiative (SM2015) -- a project that aims to reduce maternal and infant mortality among the poor, benefiting more than 30,000 young women and children.

SM2015 is an innovative public-private partnership that seeks to reduce health equity gaps in Mesoamerica among the poorest populations. The initiative works in close coordination with the Mesoamerican Public Health System (SMSP) and the Proyecto Mesoamérica.

Acting prime minister of Belize, Gaspar Vega, and the president of the Inter-American Development Bank (IDB), Luís Alberto Moreno, signed the agreement for the first operation for Belize during the IDB Meeting of Governors of the Central American Isthmus and the Dominican Republic in San Pedro.

Over the past few years, Belize has made great strides towards the Millennium Development Goals, but health gaps persist, especially in the poorest areas. Preventable conditions associated with infectious diseases and lack of access to, or use of health services disproportionately affect women of reproductive age and children, limiting their human development potential. These inequities can contribute to the perpetuation of the cycle of poverty. In 2006, a full 33 percent of children under five were malnourished among the poorest one-fifth of the population, compared with 18 percent at the national level.

This first SM2015 operation in the country seeks to contribute to the reduction of maternal, infant and child mortality in the poorest districts of the country. The government of Belize -- through the Ministry of Health -- and the SM2015 Initiative each pledged US\$500,000 for the first 18 months of the program. If the Ministry of Health meets certain agreed upon goals, SM2015 will reimburse half of the ministry's original investment (US\$250,000) -- the reimbursed funds can then be spent on other health-related purposes.

The first of three planned operations expects to reach more than 30,000 poor young women and children between 0 and 5 years old through quality improvement of maternal, neonatal, child and reproductive health services and strengthening community based platforms to increase coverage.

"Belize has made important progress in providing health services to its people, and indicators such as life expectancy and infant mortality have improved dramatically in recent years," said Moreno during the signature event, "but these gains have yet to reach the most marginalized populations, with parts of Belize lagging behind others, so now, the Salud Mesoamerica 2015 Initiative and the IDB will work with Belize in close coordination to succeed in having a real impact in vulnerable communities".

"We are very thankful," said Vega during the event, "because with the IDB help, I'm certain that we, as a country, are going to do better, not only economically, but socially".

Vega also qualified the "support of the IDB as a very productive and transparent relationship".

Belize has been a leader in the region for performance based financing, especially through its work in the National Health Insurance (NHI) and existing National Level Performance Frameworks. Now both the Ministry of Health and the SM2015 Initiative will join efforts to reduce equity gaps to meet the Millennium Development Goals in the Mesoamerican region.

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['LESS THAN JUNK': S&P lowers Belize's credit rating deeper](#)

Friday 10th February, 2012- Caribbean News Now

ONE of the leading international credit rating agencies has downgraded Belize's credit status a notch deeper into junk territory, despite giving an improved outlook on the economy.

The Wall Street-based Standard & Poor's Ratings Services said on Monday that it downgraded the Caribbean Community member-nation's status after Prime Minister Dean Barrow signalled "less political will" to service the country's large debt.

"The nature of the statement and prominent public office of the speaker signals, from a credit perspective, lower predictability that the government will continue to service its external commercial debt," said S&P in its report.

S&P gave Belize a triple-C-plus rating, seven steps below investment grade.

But the agency described the country's economic outlook as "stable," and suggested that the Central American nation's debt management may improve after Belize's forthcoming general elections.

"The stable outlook balances the possibility that the government will seek debt relief to reduce a rising external interest burden against the possibility that debt management will improve after the election," S&P's report said.

Standard & Poor's said it was concerned after Barrow raised, as an election issue, the government's 546.8 million-US-dollar bond. The agency said that because of this, servicing the debt is unpredictable.

In November, the rating agency revised Belize's economic outlook to negative, based on the government's apparent disinclination to service its external debt.

S&P predicted the country's foreign exchange reserves will drop from its present level of 250 million US dollars (500 million Belize dollars).

It also anticipates more pressure on the government to increase spending to meet public sector pay demands.

"We expect government workers and teachers to demand higher wages once the next budget debate begins," S&P added.

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