

INVESTING IN SAINT LUCIA









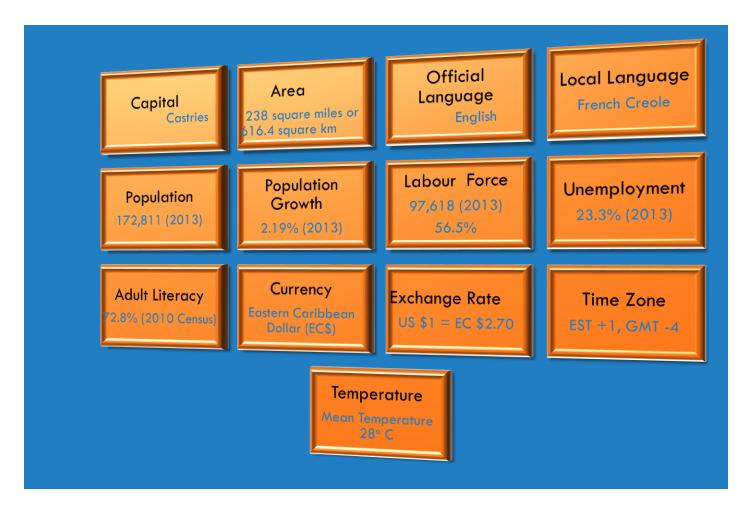
Investment Forum-Istanbul Chamber of Commerce, DEIK and CAIPA, May 16, Turkey

McHale Andrew – CEO INVEST SAINT LUCIA



SAINT LUCIA - Country Profile





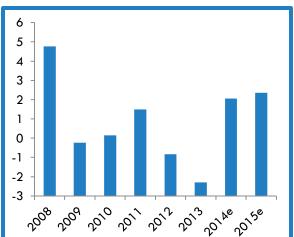




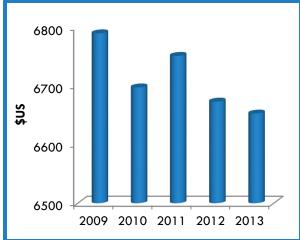
ECONOMIC PERFORMANCE

3

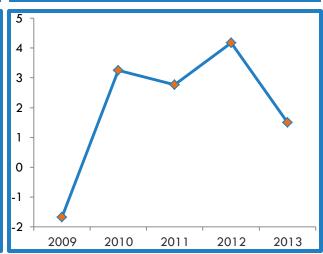
ECONOMIC GROWTH



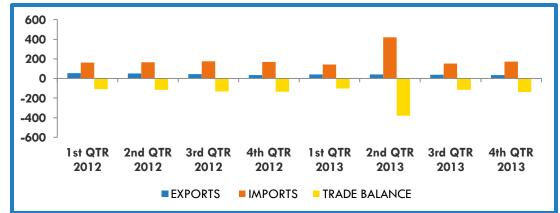
GDP PER CAPITA (US\$)



INFLATION RATES



e-estimate



Sources: Central Statistical Office, ECCB, IMF World Economic Outlook

Main Economic Sectors



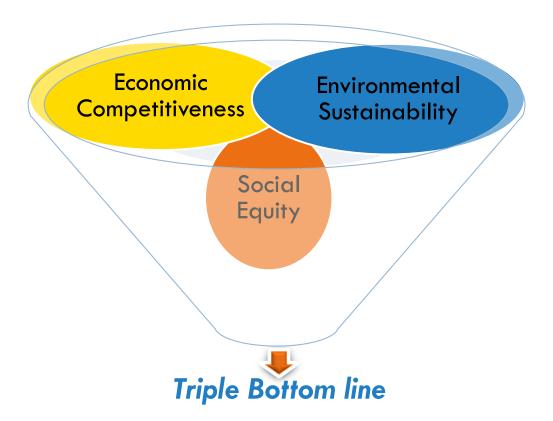
Economic Activity	Relation to GDP 2013	Average Real Growth 2006-2013
Hotels and Restaurants	10.6%	0.9%
Construction	8.8%	3.46%
Real Estate Renting and Business Activities	18.8%	2.53%
Manufacturing	4.8%	0.05%
Transportation	12.3%	1.25%
Communications	5.7%	(2.6)%
Distributive Trade Services	7.7%	0.16%
Electricity and Water	4.4%	2.12%
Banking and Insurance	8.1%	3.78%
Agriculture	3.1%	0.87%
Other Services	4.7%	6.11%





ATTAINING ECONOMIC GROWTH AND ECONOMIC DEVELOPMENT THROUGH

INVESTMENT





Historical Overview of Investment

Pre-Independence to the End of the Preferential Market Access Era

1971



1970s to 1980s



- Formation of the National Development Corporation (NDC)
- Engineered the framework and conditions required to attract and retain quality investment.



 Attraction of enterprises involved in manufacturing.

- Food, beverages and tobacco.
- Electrical Products.
- Textile and Wearing Apparel.
- Paper and paperboard.
- Growth in tourism businesses.
- Major investment by Hess Oil St. Lucia Ltd.

Early 1990s

- EU Single Market implementation, 1993.
- Change in preferential trade arrangements.
- Decline in banana trade impacts paper and paperboard manufacturing.

Historical Overview of Investment SAINT LUCIA



(Cont'd)

Post the Preferential Market Access Era

Mid 1990s to Early 2000s



Early 2000s to mid 2000s



2009-Present

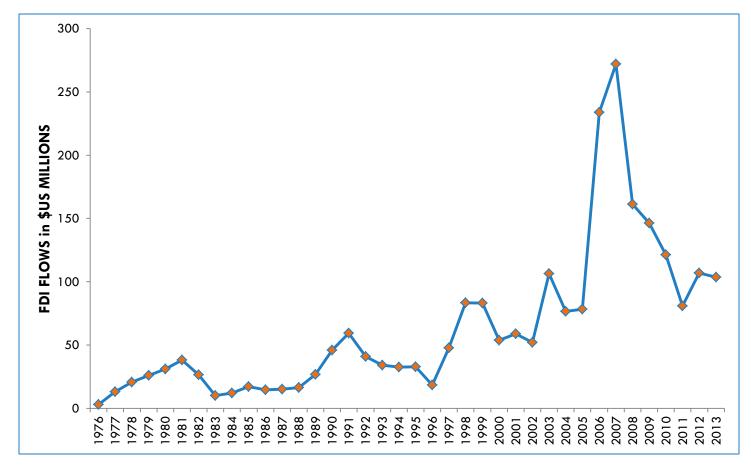
- Rapid pace in trade liberalization precipitates decline in manufacturing.
- Rise of tourism as lead investment generator.
- Diversification of tourism investment.
- Increased investment in services sector

- Significant increases in ICT investment following **TELECOMs** liberalization.
- Noteworthy growth in construction pre-2007 Cricket World Cup.
- Growth in tourism investment.

- Slowdown in investment growth as a result of global economic and financial crisis
- Continued investment in Tourism.
- Continued investment in services sector.



FDI INFLOWS 1976-2013



Source: Economic and Social Review, ECCB Balance of Payments, Invest Saint Lucia

Investments Facilitated From the

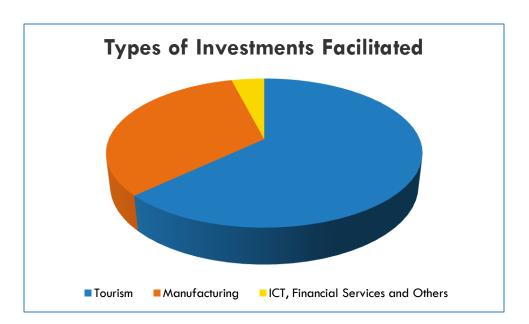


1970's to Current





220 Investors from 3 continents and 25 countries



Source: Invest Saint Lucia/ Government Statistics





Why Saint Lucia?

- 1. Strategic location and easy access.
- 2. Stable and Pro-business Environment (No. 1 in the English Speaking Caribbean in the World Bank's Doing Business Reports 2007-2014). Ranked Number one in the Caribbean (Doing Business 2014 Report) for:
 - Number of procedures for starting a business.
 - Obtaining approval for construction permits.
 - Time taken to register a property.
 - Ease of paying taxes.
- 3. Ranked the 33rd freest economy by the 2014 Index of Economic Freedom.
- 4. Stable political climate.
- 5. Stable monetary and financial system, as a leading member of the Eastern Caribbean Currency Union.



Why Saint Lucia? (Cont'd)

- 6. Regional and international market access (CSME, WTO, EPA).
- 7. Modern and efficient telecommunications system.
- 8. Modern air and sea port facilities including operational free zones.
- 9. Reliable electricity supply and stable supply of water.
- 10. Freedom to repatriate profits and no foreign exchange controls.
- 11.Strong history of attracting and protecting international investments.
- 12.Ongoing policy reforms designed to facilitate investment and encourage business growth (new investment policy, ongoing incentives reform, ongoing e-government reform,).



A record of success ...



























SAINT LUCIA





















MARIGOT HAY











ST. LUCIA





















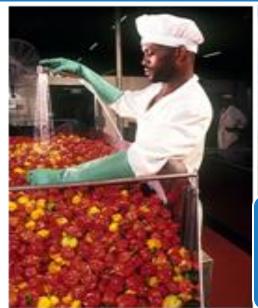
Key Successes



SAINT LUCIA **TOURISM** Development of World Renowned North Western Jazz Festival Corridor Atlantic Rally for Award winning Cruisers Resorts Strong World Class international brand presence Restaurants Events **PLANT** MARKETING Contribution to GDP (6.5% in 1970s to 13.2%% in 2013) **GROWTH AND** Increased overall **ENVIRONMENT** IMPACT ON UNESCO World arrivals (from 145, **ECONOMY** 700 in 1978 to a Heritage Status peak of for Piton 1,018,291 in Management 2010). Area • Expenditure from Heritage Tourism \$US 27.7 Million Growth in 1978 to a peak of \$US 630.4 Million in 2013



KEY Successes Cont'd





MANUFACTURING











MANUFACTURING

- Free Zones
- Industrial Estates
- Private Modernized manufacturing establishments

PLANT

- USA
- United Kingdom
- CARICOM States
- Rest of Europe

MARKET REACH

AREAS OF STRENGTH

IMPACT ON THE ECONOMY

- Agro processing(Food and beverages)
- Fabricated Metals
- Paper and Paper Products
- Plastics
- Smart Technology

- 5.31% of GDP in 2012
- 5% contribution to employment in 2013



Initiatives to Improve Investment Process

National Investment Bill (From NDC to Invest Saint Lucia)

Investment Policy Reform (Ongoing) Fiscal Incentives Reform (Ongoing) eGovernment
Platform
/Public
Sector
Reform
(Ongoing)

Adoption of new PPP approach

Saint Lucia Investment Forum Commercial Court (To be Started soon) Corporate
Tax Rate
Reduction
(Ongoing)

Amended Income Tax Act



Invest Saint Lucia

- Invest Saint Lucia is the official IPA with mandate to operate as a "One Stop Shop" for investors.
- New thrust towards specialized investment promotion in Saint Lucia

Passive

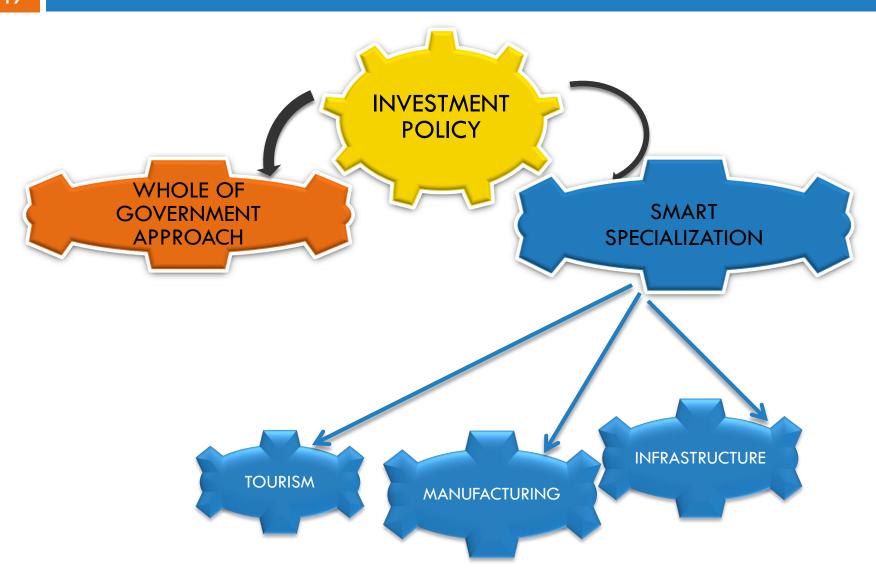
- √ Waiting for investors to come (facilitation)
- ✓ Asset Management (Land sales, rental of factory shells etc.)

Proactive

- ✓ Investment Marketing (targeting, project implementation)
- ✓ Facilitation (Seamless approvals process/ Active business facilitation/After Care services/PPP)



Committed to Business- New Thrust





Investment Policy Rationale

Increase the quantity of inward investment

- Transition Saint Lucia to a contemporary investment location
- Enhance investment attraction and generation mechanisms
 - Improve investment protection and retention
- Facilitate effective investment integration
- More effective investment support and facilitating processes



INVESTMENT OPPORTUNITIES IN KEY SECTORS













Tourism

- Resort Development
- □ Tourism Ancillary Services.
- Eco friendly, adventure, heritage and community based tourism.
- Yachting
- Sectoral linkages: food and beverages, herbal medicines, craft, art, entertainment, health and wellness.
- Entertainment tourism (music and cultural events).









Manufacturing

- Agro Processing
- Dairy Production
- High end furniture
- Household products
- Packing material
- Light Industrial tools and materials
- Pharmaceutical products including use of local biodiversity for developing traditional/herbal medicine
- Smart Technology Manufacturing
- Boat Building







Hard Infrastructure



(Public- Private Partnership Agreements (PPP))

- Airport Redevelopment
- North East Highway
- Seaport Upgrades
- East West Road
- Water Storage and DistributionUpgrades
- Port Castries Redevelopment
- Duty Free Point Seraphine









Soft Infrastructure

- Contact and Call Centres
- Business Process Outsourcing (BPO)
- Knowledge Process Outsourcing (KPO)
- Mobile Application Development
- Data Processing
- Training Facilities
- Vocational Training/ Educational Facilities
- Reputable offshore Universities









Soft Infrastructure (Alternative Energy)

- St. Lucia Electricity Services Limited(LUCELEC) to remain sole distributor of energy.
- ☐ Target of 35% renewable energy development by 2020.

Options:

- Solar
- Wind
- Waste to Energy
- OTEC









INVESTING IN SAINT LUCIA MADE EASY

