



# Turks and Caicos

## An FDI strategy for investors and locals alike



**Angela Musgrove, Interim CEO at Invest TCI, explains how the agency is collaborating with the new government to encourage more equitable investment in the Caribbean territory**

The Turks and Caicos Islands voted in a new Premier in February 2021. Among Washington Misick's first initiatives as leader was a revamp of Invest Turks and Caicos (Invest TCI), the country's investment promotion agency. With the opportunity to upskill and retool staff as well as increase capacity, we are excited about the new opportunities this will present for our agency and the country as a whole. So, what will it mean for FDI in the Turks and Caicos Islands (TCI)?

As with the rest of the world, the past 18 months have been challenging for the TCI's economy. Nevertheless,

with a highly successful Covid-19 vaccine roll out (70% of the population was fully vaccinated by mid-September) and continued low case numbers, the economy has remained open for much of the pandemic, and we are welcoming tourists again.

Located just one hour by plane from the United States, and with direct flights from across North America, the UK and the Caribbean, we are confident of a V-shaped economic recovery. But our ambition is to go further, exceeding previous growth rates and further diversifying our economy. And Invest TCI's work is expected to contribute greatly to that goal.

### Foreign direct investment that benefits all

At the heart of the new government's mandate is the notion that economic growth needs to be tied to economic development for people across the TCI. While we have strong rule of law, a stable democratic system and a robust economy, it is true that many local people must migrate from the outer islands to Providenciales, the country's most economically developed region, in search of opportunities.

Invest TCI will therefore use our refreshed strategy to channel FDI in ways that supports the economy to become more diversified. We also plan to spread economic development in a more balanced manner across the country.

### Building on strengths in tourism

Tourism is a lynchpin of the TCI's economic success; the British Overseas Territory is a popular cruise destination and hosts several luxury resorts and hotel chains. Given this background, it certainly makes sense for our economy to build on the skills and know-how we have already developed in the tourism industry. And one strategy with real potential is expansion into different subsectors of the tourism market that are currently underdeveloped.

Right now, most tourism centres around the luxury resorts in Providenciales island (known locally as Provo). Nonetheless there are 40 islands and cays in the TCIs, many of which are almost entirely untouched. There is huge potential for opening up new markets for ecotourism (we're a global biodiversity hotspot) and adventure tourism (the TCI has world-class diving locations, great hiking and water sports). By encouraging different kinds of tourism to some of the outer islands, we expect to see a trickle-down effect where FDI benefits people right across the nation.

At present, the North American market is our primary feeder for tourism. This is unsurprising – we are of course just a one-hour flight from Miami. Nevertheless, there are real opportunities to attract tourists from further afield, and we're investing to promote the islands as a destination more widely.

### Beyond tourism

With the goal of diversifying our economy, we are also looking to encourage investment in a wider variety of sectors. For instance, agriculture has real potential in the islands and the new government is backing schemes to produce more food locally and reduce our reliance on imports.

We are also looking to refresh our position as a global financial centre. The TCI have a long reputation as a financial centre, thanks to our highly competitive tax regime. But we're not resting on our laurels, and we believe that there are real opportunities to attract



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new fintech businesses to the country. The government has announced plans to build our expertise in this sector, with financial backing for the development of the industry and the creation of an entire new agency. Exciting announcements about this new body, and our plans in this area, will be made in the coming months.

Real estate is also booming in the Turks and Caicos Islands, despite the global pandemic. In June, for instance, the Ritz-Carlton Turks and Caicos officially opened its doors in the stunning Grace Bay. The islands have several other major projects set to break ground in the coming months and pending real estate transactions in Q1 were estimated to be above \$463m, some of the highest numbers on record.

And investment opportunities go beyond hotels and resorts. We already have a diverse real estate sector, with a wide range of apartment complexes, duplexes and condos on the market.

An interesting development brought about by the pandemic has been the emergence of the "getaway" market. As more people find they can now do their jobs remotely, they are looking into the possibility of purchasing their own homes in tropical paradises like the Turks and Caicos Islands, where they can work remotely and enjoy wonderful scenery combined with low tax rates and a simple residency process. Why stay in a hotel when you can have your own permanent base in the TCI?

To grow this market, we are positioning ourselves as a small island getaway that has managed to keep Covid cases down while also offering untouched nature, welcoming locals, low crime rates, great quality accommodation, proximity to the US and an attractive climate. For people looking to get away from urban life while they continue working remotely, investing in a TCI property is an attractive proposition.

Of course, while we are keen to grow our real estate sector, we're also very much focused on sustainable development. We are dedicated to avoiding the dangers of over-development on the islands and have strict environmental standards in place.

### An inclusive strategy

In some small island economies, there is a risk that FDI brings little benefit to local communities, with people often feeling left out of the process. And this is ultimately what we hope to address with our strategy. By encouraging investment which is beneficial to investors, but which also benefits locals and includes their perspectives, we hope to see the advantages of FDI reach the whole of society.

We believe that when local people see the benefits of FDI in their daily lives, this, in turn, creates an environment where investors are further encouraged to invest for the long-term too. ■

**Further information**  
[www.investturksandcaicos.tc](http://www.investturksandcaicos.tc)

