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Untapped: How Turks and Caicos is primed for tourism investment

As global travel starts to pick up again after the Covid-19 downturn, the hospitality sector in Turks and Caicos is a prime location for significant growth and expansion. We speak to Invest Turks and Caicos interim CEO Angela Musgrove about why tourism is full of untapped potential on the islands. We discuss both the natural and financial environments on the islands and why the area could be a lucrative investment opportunity for savvy hoteliers.





Many of the Turks and Caicos's 40-plus islands and cays remain untouched by human development, providing potential openings for ecotourism, agritourism and wellness resorts. (Photo courtesy of Invest Turks and Caicos)



Turks and Caicos may not be the biggest Caribbean destination, but it certainly has enough natural assets and economic benefits to rival its larger neighbours. The islands also offer numerous untapped opportunities for investors.

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Reasons to invest in the Turks and Caicos Islands tourism sector

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Traditionally, tourist options on the islands have been focused on the high-end, luxury market. While the island of Providenciales has been the primary focus of development, the wider Turks and Caicos Islands have much more possibilities available.

Many of the country's 40-plus islands and cays remain untouched by human development, providing potential openings for ecotourism, agritourism and wellness resorts, just to name a few. Having this many islands also means there is plenty of room for different tourist options where everyone has more than enough space for their own vacation experience.

Then there are the economic conditions. The economically stable chain of islands has a very low tax rate and uses the US dollar as currency. While the legal system is backed by UK law as it is a British Overseas Territory, providing further stability and security.

All these factors make the islands an appealing location for investment across a diverse range of tourism options. To ensure the investment process is straightforward and runs smoothly, Invest Turks and Caicos is a statutory body set up by the government specifically to work with investors and has strong connections with other governmental departments. Invest Turks and Caicos interim CEO Angela Musgrove explains more about what the islands have to offer tourism investors.

What types of tourism do you hope to attract to the islands?

There is so much untapped potential in the tourism industry. Luxury tourism is our signature tourism product where we have experienced significant growth and have developed a world-renowned product offering through our condo/hotel model, primarily in Providenciales. The need to diversify that product has become an imperative, ripe with prospects for the innovative investor.

Turks and Caicos has 40 islands and cays, only eight of which are inhabited. Beyond the opportunity to expand our product offering to other islands, there are so many possibilities for more niche market service offerings in the tourism market. Among many others, we can offer ecotourism and adventure tourism, as well as heritage and cultural tourism; then there are options for events tourism and sports tourism. We also have a perfect opportunity to expand medical and health tourism in Turks and Caicos.

We are looking to develop all these market segments to make our tourism product more diverse to strengthen the future prospects for growth.

How do these target market segments match up with what the islands already have to offer?

We have first-mover opportunities to explore the plethora of unearthed potential that lies in our family islands. For example, in North Caicos where there is so much natural landscape, there is a perfect opportunity to develop either an ecotourism or adventure tourism model there. While in Grand Turk, we have some of the most spectacular dive sites on this side of the Atlantic with some of the finest barrier reefs and wall sites that make this island ideal for development as part of a tourism model with resort offerings centred on dive sports for true diving enthusiasts.

For us, diversification of our tourism product comes from looking at the unique features of each of our islands and cays, and then strategically tapping into those features so that there is preservation of the environment as we cultivate a tourism product that blends seamlessly into the natural landscape.

As these industries are untapped, this means that if someone were to come and set up a diving school business, for example, then there would be no real immediate competition?

Absolutely. There are multiple pioneering opportunities in so many sectors. We want to capitalise as much as possible on tourism opportunities that will utilise water for adventurous activities, particularly on the island of Grand Turk. The island of South Caicos also presents exceptional opportunities to explore not just diving but fishing adventures on a commercial scale.

On Salt Cay, it is only a small town, the smallest inhabited island in the island chain; it is 2.5 miles of tranquil beauty. There is unique historical significance to the island of Salt Cay that adds to its character. We are looking for that very low-density, very eco-friendly investment that blends into the landscape and complements the heritage of the island. There are fewer than 100 people who permanently live there. So, we need to ensure we don't disturb the beauty of the island with overdevelopment or with anything that doesn't add value to its natural quiet attraction.



Invest Turks and Caicos interim CEO Angela Musgrove. (Photo courtesy of Invest Turks and Caicos)

In North Caicos and Middle Caicos, there are countless acres of natural landscape that will fit perfectly for eco-friendly tourism that appeals to nature enthusiasts. South Caicos is a fishing village and home to the Turks and Caicos Islands Center for Marine Resources Studies. We are exploring options to expand the opportunities for people looking for those sorts of activities.

We have this luxury component in Turks and Caicos in Providenciales, but we also want to expand into the other islands, and each island gives you a unique chance to experience a different type of tourism.

In future, an ideal tourist would visit for ten days and spend two days on each of the islands, experiencing the diversity of activities that each island has to offer.

What controls are in place against overdevelopment?

We have just completed our National Physical Development Plan and the gatekeeper for that plan is the Planning Department. Invest Turks and Caicos works very closely with our colleagues in the Planning Department.

Any sort of development will have to be aligned with that National Physical Development Plan. The plan details the types of development we would want to see across the spectrum of the Turks and Caicos Islands. Once an application is made for a development, we consult that document, and so does the Planning Department.

It is a couple of hundred pages, but it details each of the islands' unique features. It looks at the ideal type of development for each of those islands. We have put a lot of work into ensuring that there is a mechanism in place to give us some control and ensure that we work towards a more sustainable development future for Turks and Caicos. We don't want to overdevelop.

What gives Turks and Caicos an edge over other Caribbean islands as an investment location for hoteliers?

The Turks and Caicos has ensured a friendly, pro-business climate for potential investors. Simply put, investment advantages are in the investor's favour and this positions them for the return on investment they desire. Our accessibility to major source markets is a game

changer with Florida a mere 90 minutes away and, in usual times, approximately 150 weekly direct flights from Canada, the UK and many major cities throughout the US.

With the US dollar as our primary currency, there are no restrictions on foreign property ownership. As a British Overseas Territory, we have a strong, stable political environment and trusted legal system in place. These 'Beautiful by Nature' Turks and Caicos islands also maintain one of the lowest crime rates in the region.

Beyond this, investors can be assured that the country's overall framework is favourable to the security and comfort they would want to be assured of. We have a strong telecommunications network offering reliable high-speed internet connections. We have a modern infrastructure including ports, road systems, and utilities across the islands and plans are imminent for the upgrades to our Providenciales and North Caicos airports.

How can investors benefit from the tax system?

First let me state, that there are no income taxes levied on revenue generated from property, there are no capital gains tax on property transfers, no inheritance or estate taxes, no corporate or personal taxes, no exchange controls.

In addition, we boast a five-star financial centre with a strong international banking community and accounting agencies.

I will add here too that recent peer-review awards Turks and Caicos a largely compliant Caribbean Financial Action Task Force rating, we are EU whitelisted for economic substance, CRS and FATCA compliant, and we are committed to maintaining compliance with regulatory standards.

All of this means that the financial conditions are just right for the

investor.

What sort of investors are you looking to attract?

As a small developing island, we are very selective about the types of investments that we want, and the type of investors we want to attract. Because we want to ensure that both the investment and the investor are the best fit for Turks and Caicos.

When you come to Turks and Caicos and want to invest, we want to make sure that it is a mutually beneficial arrangement. Not one where it is only the investor that benefits and the economy at large gains very little.

We want investors who are in it for the long term. They have to understand the impact that the investment has on us as a community, and that it is not about just them. We are not looking for investors who are solely looking for short-term gains. We are looking to welcome investors whose interests are not tunnel-visioned on the economic benefits of their investment, but whose vision is extended to the impact of their development on the surrounding communities and the socio-economic health of the Turks and Caicos Islands as a country.

Free Whitepaper

Reasons to invest in the Turks and Caicos Islands tourism sector

With its white-sand beaches and clear blue waters, tourism in the Turks and Caicos Islands has historically focused on the luxury markets. But the islands have so much to offer other tourism sectors that currently remain untapped. Low tax rates, direct air links with the US and Canada, and available land for development are just a few of the reasons that make Turks and Caicos an option full of potential for tourism investment. And Invest Turks and Caicos can provide

investors with the right connections they need. To learn the ten reasons to invest in Turks and Caicos and find out other details about the islands, download this document.

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