



Turks and Caicos: Interview with John Rutherford

[All Interviews](#)

John Rutherford

CEO (INVEST TURKS AND CAICOS ISLANDS)

2017-03-02

[Click here for more Interviews In Turks and Caicos](#)



Share This!



Being a British Overseas Territory with an independent Government, Turks and Caicos Islands have a unique position in the Caribbean. Its 35.000 inhabitants enjoy a GDP per capita of almost 24.000 USD, among the highest in the Caribbean. But many countries in the region compete in similar sectors, such as tourism, real estate or financial services. What are the advantages that set Turks and Caicos apart from the rest of the Caribbean countries?

While we have strong competition from other Caribbean countries for attracting international investment from the tourism and hospitality sectors, I strongly believe that the Turks and Caicos is the most beautiful destination in the region and that view is supported by outside recognition. Trip Advisor contributors continually vote Providenciales as one of the top islands in the world, and Grace Bay Beach was voted the best beach in the world last year, and number two this year. We have hotels and resorts which are regularly voted in 'top hotels in the world' surveys and with forty islands to choose from, many of which are lightly populated or uninhabited, we are a magnet for high end development both in terms of hotels and luxury villas and condos.

We are also looking to attract investments in niche areas of tourism such as Health, Eco and Adventure where we can offer compelling propositions. For health, or medical tourism, where better to recuperate from surgery than one of the most beautiful islands in the world with year-round sunshine? Our lightly populated and uninhabited islands are perfect locations to develop an eco-lodge; and our world renowned coral reef and diving locations and big game fishing are also great draws for the more adventurous tourist

Our Average Daily Rate (ADR) figures for hotel occupancy are higher than any other Caribbean market and evidence of a healthy return on investment for prospective investors in the sector. This is also evidenced by the amount of reinvestment by existing developers on these islands.

In the Resonance Report of 2013, TCI was the number one island location in the world that the US' top 9% of affluent households would most like to visit, and I doubt that view has changed much.

Turks and Caicos was strongly hit 8 years ago by the global financial crisis and Hurricane Ike, a combination that seriously damaged the economy. However, according to the International Monetary Fund, since 2012 the country's economy maintains a steady growth and a public debt that has reduced to around 11% of GDP. To what do you attribute this economic performance?

Investor confidence has returned to the islands, and numbers of tourist overnight visitors, which the country's economy relies heavily



Caribbean and we continue to have projected growth of around 5% per annum. We have successfully maintained a BBB+ rating from Standard & Poor's and aspire to achieving the next level.

We are a safe place to invest and new legislation on Trusts, Companies and Insolvency has either been enacted or is close to being so. We are also compliant with IMF, OECD and FATF standards and are committed to US and UK FATCA and early adoption of Common Reporting Standards.

An example of the success of the economy is the amount of reinvestment which is either taking place or is planned by current investors. Our two most prolific investors in terms of existing resorts are in the process of building new developments.

The new Administration led by the Premier Cartwright-Robinson is determined to open the country for new businesses and to make TCI an international financial center. What are the main investment opportunities that the country offers?

The Government recognizes that for the economy to be even more competitive it is important for growth in other business sectors to act as a hedge against any downturn in the tourism sector. Financial Services is seen as an area where we can attract new businesses, particularly in niche product areas, and the Premier has asked the public and private sector to work together to develop a strategy for doing so. We currently are strong in the Trusts and Reinsurance sectors but we are confident we can be an attractive location for business in other areas of the financial and professional services sector because we have in place, or are in the process of developing the business conditions conducive to achieving success in this area. New legislation on Trusts, Companies and Insolvency has either been enacted or is close to being so, and we are compliant with IMF, OECD and FATF standards and are committed to US and UK FATCA and early adoption of Common Reporting Standards.

The Caribbean as a whole is sometimes regarded as being a haven for tax evaders, but the Turks and Caicos Islands is most definitely not and is compliant with international standards in all the areas we need to be.

The legislation was put in place in 2014 and Invest TCI was created in 2015 with the ambition to become the best investment promotion agency in the Caribbean within five years. Which are the main goals achieved so far?

The main objectives of the investment agency are to attract foreign investments and to support existing investors; to encourage the growth of local economic activity by assisting entrepreneurs to set up or expand their businesses; and to work with Government in improving business operating conditions.

Our first full year has been very busy as we built the team up to 10 staff, set up internal operating procedures and moved into purpose-built premises. This has not allowed as much time as we would have liked for proactive work in attracting overseas investors to the islands but to be honest, we have not needed to. There was already a strong pipeline of significant projects which we inherited from the Ministry of Finance, and we have had a steady stream of serious enquiries and projects from developers approaching the Agency. The Agency has projects with a total value of well over a billion dollars in its pipeline

And not all investment comes from overseas. We are working with a number of local businesses and entrepreneurs to help them in setting up or expanding their business through our Micro, Small and Medium Enterprise Programme which provides grants, duty concessions and technical assistance to locally owned business.

Going forward, we look forward to working with the new Administration in creating a national development plan and identifying our main priorities for the next five years.



Our current main focus is on targeting the hospitality sector and in particular, the luxury end of the market. It is therefore relatively easy to identify the types of companies we believe will enhance the reputation of these islands because there are only so many companies in this category. Our job is also made easier by the number of approaches which are made directly to us by hospitality groups and developers who are considering setting up a presence here. Financing the projects can be an issue and we are keen to help these groups identify sources of finance for their projects.

While the islands are relatively well known in North America, particularly the East Coast, we need to do more to reach out to the wider marketplace and by the time this article is published we will have launched our new brand and website and enhanced our current social media activities which we currently carry out on Twitter, Linked In, Facebook and Instagram.

We are also developing strong propositions for other business sectors, including financial services, manufacturing and agriculture which we will promote through the media and attendance at strategically important industry events.

Once the investor decides to do business in the country, what is the support that Invest TCI provides them with?

The Turks and Caicos Islands are a very attractive place to invest in partly because of our attractive tax regime. There are no personal or corporate taxes, no capital gains tax or inheritance tax; and no exchange controls as we have the US\$ as our currency. The Agency's role is to work with prospective investors to help them understand the various requirements for setting up a business, including securing the correct licenses and permits; facilitating introductions and meetings with key Government and other bodies; making introductions to local service providers who can be of help; and explaining what other benefits a business can qualify for when setting up here, such as import and stamp duty concessions.

Invest Turks and Caicos also supports individuals who wish to secure permanent residency in our islands through investing in a home or a business.

All our services are free and confidential.

While other countries in the Caribbean are promoting the citizenship by investment, in TCI you have developed the Investor Permanent Residency program. Which are the benefits of this program?

It is possible to get permanent residency through an investor program by investing \$1 million dollars in a business here or \$1.5 million dollars in a property. This takes away the need for work permits or visas, can be extended to the family and can be the first step towards securing naturalization here.

Tourism is the engine of the islands and financial services are a growing sector. However, TCI depends almost 100% on imports and does not offer any natural or energy resources. What is the plan of your institution to diversify investment under these conditions?

The Government is very aware of our over-reliance on imports and is keen to address this. A key area is of course food produce and priority is being given to the development of the agricultural sector with incentives for both local and international investment in this area. We have some small hydroponic operations on the islands but would like to see this expanded, particularly on the islands of North and Middle Caicos where the land is plentiful and very fertile for organic produce.


[Publications](#)
[Interviews](#)
[Company Profiles](#)
[Videos](#)
[Events](#)

causeway. We are also looking into the potential for the development of a trans-shipment port. Given our strategic location on the North-South America shipping routes we are well placed to supply the rest of the Caribbean rather than product come into the US and to then be reshipped back to the region.

Light manufacturing is another area we see opportunities in, particularly related to the hospitality sector. If we can get more products made in Turks and Caicos rather than importing them, that will save the industry money and create local jobs, and from there we would hope to develop an export market.

Invest TCI highlights the favorable fiscal system of the country: taxes exemption over direct corporate, personal, capital gains and inheritance and no taxes control. Offshore economies establishing flexible fiscal frameworks tend to project a negative perception. How can you project to the international markets a reliable and trustworthy image?

We are transparent and compliant in the areas which are required. Unfortunately, episodes like the release of the so-called Panama Papers project very badly on the Caribbean as a whole. But the Turks and Caicos was not implicated at all in any of the several million documents which were released.

We are compliant with IMF, OECD and FATF standards and we are committed to U.S and UK FATCA and early adoption of the Common Reporting Standards. Turks and Caicos is doing all it is required to do by the international financial regulators.

You have an extensive experience in trade and investment promotion all around the world and you have carried out projects from Africa to Middle East, Europe and Asia. Your commitment with Invest TCI finishes in May 2017. What do you feel most proud of in your career?

In September 2016, we organized a national economic conference called “Enhancing National Competitiveness” and I was very proud of it because the Agency came together as a team and produced an excellent event which brought together Government Ministers and the public and private sector to focus on how we can work together to grow the local economy in Turks and Caicos.

I am also very proud of the role the Agency has played in supporting the local economy in TCI through the setting up, management and delivery of the Micro Small and Medium Enterprises Programme. We have been able to support some excellent products ranging from manufacture of tea through local natural products, to the creation of Bluetooth speakers in conch shells.

As far as my career is concerned, I love working in the area of foreign direct investment (FDI), and what gives me most satisfaction is when I see a project develop from early exploratory discussions to the creation of jobs in the local economy.

Harvard Business Review readers include the most influential business leaders and top decision makers around the world. As a conclusion to this interview, what would you like to say about the future of the investment in Turks and Caicos?

The opportunities for investment, particularly in the hospitality sector are very strong. In its State of the Industry Report in February 2016, the Caribbean Tourism Organisation revealed that Turks and Caicos was the fastest growing destination in the region for overnight visitors. We need more hotel beds to maintain that growth – the airlines are keen to add to the 150+ flights a week to and from the islands – and we also have first-mover opportunities in niche tourism areas such as Health, Eco and Adventure

In addition, there are real opportunities in other sectors such as financial services, agriculture, light manufacturing and renewable



[Publications](#)

[Interviews](#)

[Company Profiles](#)

[Videos](#)

[Events](#)

At World Investment News, we have developed our own in-house media outlet, eBiz, to provide business travelers and investors greater insight into some of the world's most interesting countries and regions. Click on the links below to begin seeing the world from an eBiz point of view.



COMPANY

- [About Us](#)
- [Team](#)
- [News](#)
- [FAQs](#)
- [Terms & Conditions](#)
- [Contact](#)

HUMAN RESOURCES

- [Jobs](#)
- [Testimonials](#)
- [Recruitment Videos](#)

ADVERTISE WITH US

- [Media Partners](#)
- [Clients](#)

© 2018 World INvestment NEws. All rights reserved.