



**2020/2021 BUDGET CONTRIBUTION**  
**BY MINISTER OF TOURISM & AVIATION**  
**THE HON. DIONISIO D'AGUILAR**  
**JUNE 17, 2020**  
**IN THE**  
**HOUSE OF ASSEMBLY**

**Introduction**

Mr. Speaker, I rise on behalf of the great people of Freetown to support this fourth FNM Budget.

Mr. Speaker! I am forever grateful and humbled by the opportunity afforded me by the people of Freetown to serve them in this honourable House and I endeavour.....and I promise.....to continue to represent their interests, their views, their needs, their wants and to ensure that they receive the attention that they deserve from the Government that I represent!

I love the great people of Freetown and I want them to love me! And so, I will end my presentation today.....as I started..... by speaking directly to them about our accomplishments over the past year and what to expect in the upcoming year!

## **Overall Budget Analysis**

Mr. Speaker, I must say I was immensely impressed with the Budget presentation of the Minister of Finance and Member for East Grand Bahama. Despite the lack of good news across the globe and its obvious negative effect on our local economy, he gave us hope and confidence that, with his tenacity and laser like focus, he had this very difficult matter in hand.

Mr. Speaker, there were no new taxes, a huge relief to the Bahamian people, and the Bahamian people were assured, once again, of a Government that is honest, transparent, free of financial scandal that is responsibly managing the economy of The Bahamas in the best interests of the Bahamian people.

Mr. Speaker, I was, like many Bahamians, concerned about a Budget that projects a record breaking, eye popping deficit of \$1.3 billion.....but, Mr. Speaker, I was delighted, nonetheless, that the deficit was not projected to be \$2 billion and I am sure that my good, good friend from Exuma was delighted too! And, this projected record breaking deficit is a far cry from the record breaking budget that we presented last year which projected a deficit of only \$137 million.

Of course, last year's budget was record breaking in the sense that it projected the smallest budget deficit in over a decade.

Mr. Speaker, this FNM Government was on a good wicket. The economy was thriving, the number of employed persons was growing, tourism arrivals were exceeding all past records....in short, the country was on the up and up.

And, as we had promised the Bahamian people, and unlike the Christie-Davis-Hanna Martin Administration, we were using all additional tax revenue from this robust growth to reduce the annual deficit. So, our first year in office, we increased the National Debt by \$693 million paying off PLP bills. Our second year in office, we increased the National Debt by a far lower \$284 million. And this year, our third year in office, we projected that we would only have to increase the National Debt by \$137 million.

Mr. Speaker, the ordinary man and woman could see where we were headed. After five (5) years of fiscal irresponsibility with the Christie Davis Hanna Martin Administration, the Minnis Turnquest.....and I am going to take a liberty here Mr. Speaker.....so forgive me.....the Minnis Turnquest D'Aguilar Administration was managing things right. We were reducing our deficit, making the tough decisions to begin to live within our means, returning confidence to our ability to manage our financial affairs responsibly and prudently while at the same time vastly improving our transparency so that the people could see exactly what we were doing with the people's money. Ain't nobody could ever ask us.....where da VAT money gone.....because all you have to do is open this document or go online and you can, at your leisure, flip through the 276 pages of this document to see where every penny of your tax and borrowed money is being spent.

Also, the Minister of Finance and the Financial Secretary are all over TV, radio, WhatsApp and Facebook and Zoom and Webex, the new social media meeting platforms, fielding the tough questions and explaining the facts with easy to read charts and easily digestible bullet points, about what is embedded in this document. Dey ain't scared, Mr. Speaker! Dey ain't running from the people! Dey tellin it like it is! You want the facts.....well they giving them to you!

Alas, Mr. Speaker! Our well intentioned and best laid plans were thrown off course by first, Hurricane Dorian at the beginning of September 2019 and then Pandemic Coronavirus in the latter part of March 2020. These two body blows have been incredibly traumatic and the country is still reeling from the effects of these two seismic events.

But, Mr. Speaker, you don't know how many people have approached me and lamented, on the one hand, at our bad luck at being in office during these two monumental disasters while, on the other hand, expressing gratitude that, at least, we are in office.....managing tings.....and not the PLP.

We have not been perfect, Mr. Speaker but at least you ain't hear no stories.....like the stories you heard when dey was managing their disaster. No Sir! The Member for Killarney, our Prime Minister, has kept us focused and on point. And yes! We have made mistakes! But if we took a left turn when we should have taken a right turn, we quickly adjusted.....we quickly changed course! And, thank God, we had a doctor at the helm during this pandemic and not a lawyer.....like Cat Island, Rum Cay and San Salvador! Could you imagine? Killarney has successfully guided us through a difficult period using his vast knowledge and experience as a doctor to achieve the impressive COVID19 results that we have achieved and now, we will call upon him to dig deep.....to help guide us back, once again, to the impressive economic results we enjoyed prior to COVID19 and Hurricane Dorian.

Mr. Speaker, I heard the very tiresome back and forth between the shadow Minister of Finance, the Member for Exuma, and the Minister of Finance, the Member for East Grand Bahama.....about who has borrowed the most.

The opposition has gone to great lengths to mislead, in my opinion, the Bahamian people, about the amount of money borrowed by this government.

And you know what, Mr. Speaker, what everyone has failed to remember is that the borrowing of the PLP will be depressed.....will be lower.....for the last two and half years of their term.....because they introduced the Value Added Tax in 2015.....and took in \$219 million in additional revenue in 2015, \$628 million in additional revenue in 2016 and \$638 million in additional revenue in 2017 from the Value Added Tax. You know what that adds up to Mr. Speaker? You know what that adds up to? Almost \$1.5 billion in additional revenue that they took off the backs of the Bahamian people. That's what they did, Mr. Speaker! That's what they did! They took VAT from 0% to 7.5%! Yes! We took it from 7.5% to 12%. But I think that everyone would agree that an increase in VAT from 0% to 7.5% is heck of a lot more than our increase from 7.5% to 12%.

So, don't get misled, Mr. Speaker by these borrowing numbers put forth by the PLP. Oh! The FNM borrowed \$3 billion for 2017-18 and 2018-19. They borrowed \$3 billion. I heard Exuma say it! I heard Englerston say it! I even heard Pineridge say it! They borrowed \$3 billion.

But, Mr. Speaker, like any good opposition, they are only telling half the story. Yes! On page 33 of the Budget



book, it states that we borrowed \$3 billion for the two years ending 30 June 2019. But what it also says on page 3 of that same book is that the National Debt, the total amount owed by the country, increased by only \$1 billion for that same two year period.

So, let me break it down, Mr. Speaker.....so everyone can understand. We borrowed \$3 billion but our National Debt only went up by \$1 billion. I repeat! We borrowed \$3 billion but our National Debt only went up by \$1 billion.

What the PLP would have you believe is that we borrowed \$3 billion and our National Debt went up by \$3 billion. But that is not what the numbers reveal. What they reveal, Mr. Speaker, is that we borrowed \$3 billion but our National Debt only went up by \$1 billion. Why.....Mr. Speaker.....did we borrow \$3 billion....as the PLP say.....but our total debt only went up by \$1 billion. Well, that is because.....of the \$3 billion that we borrowed, we paid off \$2 billion of existing debt and added \$1 billion of this borrowing to the National Debt.

Mr. Speaker, I hope that clears up the misleading statements made by the PLP. Yes! We borrowed \$3 billion but, from the proceeds.....we paid off.....paid off

\$2 billion of existing debt and added just \$1 billion to the National Debt.

Attention East Grand Bahama! Attention! You need to add a page to this Budget Book called Repayment of Borrowings so that the Shadow Minister of Finance can do the Math.....and not make these misleading.....in my opinion.....misleading statements going forward.

If you add that page on Repayment of Borrowings, he will be able to see what we borrowed and what we repaid. And then, East Grand Bahama, help Exuma with the Math to see how this borrowing and this repayment leads to an increase in the National Debt. Lay it out! Print it in black and white and let us be done, once and for all, with this very tiresome back and forth year after year!

As we move forward, Mr. Speaker, I am calling it now! This FNM Government will likely borrow more money than the previous PLP Government. I am calling it now!

With the effects of Category 5 Hurricane Irma bashing the southern islands and New Providence in 2017, with the effects of Category 5 Hurricane Dorian devastating Abaco and Grand Bahama in 2019 and now with the

effects of Category 10 Hurricane Coronavirus devastating the entire economy of The Bahamas in 2020, our borrowing will have to be unprecedented, record breaking.....in the realm of the \$1.3 billion presented here today. Some even thought it may have been \$2 billion.

So, Exuma when you stand up next year.....yes, we know.....we understand that our borrowings will be more than the PLP. We get that! But remember that the borrowings of the PLP were reduced by \$1.5 billion in additional VAT money. And remember this too.....think on this! In the one year that we did not have a hurricane or a pandemic....2018-19.....we demonstrated to the Bahamian people that we managed their money effectively and responsibly and reduced the deficit to \$219 million.....the lowest deficit in a decade. We will always have that record for many years to come. The lowest annual deficit in a decade!

Mr. Speaker, with regard to the operating budget for the Ministry of Tourism, Head 67 in this Budget Book, it has been cut by almost \$14 million or 19% from \$73.6 million for 2018-19 to \$59.7 million for 2019-20. Mr. Speaker,

this cut is deep but the new economic realities demand it and we have to make do with less.

Mr. Speaker, you will also note that the budgeted amounts for personal emoluments of the Ministry of Tourism dropped by \$2.6 million, from \$21.4 million last year to \$18.8 million this year. This was the result of over budgeting for that line item in the 2018-19 budget due to simply adjusting personal emoluments upwards every year, year after year, without consideration for retirements and resignations. When I ordered an in depth analysis of this line item, the over budgeting was discovered and this year's number better reflects what the costs will be for the upcoming 2019-20 year. To be clear, Mr. Speaker, there has been no reduction in head count in the Ministry of Tourism.....just more accurate, more precise budgeting for the personal emoluments line item.

The other components of the Ministry of Tourism and Aviation namely Bahamasair, Bahamas Civil Aviation Authority, Airport Authority, Nassau Flight Services, Air Transport Advisory Board, The Gaming Board and the Hotel Corporation) are budgeted to cost the taxpayer

\$46 million this year as opposed to \$57 million last year, a reduction of 18%.

Once again, Mr. Speaker, these cuts are deep but it is what it is.....we don't have it.....and we have to do what we can with less.

Before I leave my analysis of the budget, I want to throw out a word of caution. I heard the Member for Exuma pound the point that we should be bold. Be brave and undertake some transformational projects. But what I did not hear was what, specifically, he meant by 'be bold, be brave, go big! Be bold – like how? Be Brave – like what? Go big – so, show me!

You see, Mr. Speaker, when we hear the PLP say be bold, be brave, go big.....we have flashbacks to the Christie Davis Hanna Martin Administration.....when 'be bold, be brave go big' resulted in such financial fiascos as BAMSI, Carnival and the Star Academy.....where tens of millions of tax payers money was, in the minds of many,

wasted in their pursuit of these 'be bold, be brave go big' projects.....which turned out to be poorly planned, lacked a credible sense of purpose, and an implementation plan that was so poorly devised that the wasted (my word, Mr. Speaker), the wasted funds were inevitable. I heard the Member for Cat Island, Rum Cay and Salvador talk about his sudden disdain and dislike for waste. You forget BAMSI, aye?

Exuma, you is my friend, stay clear of that expression. It conjures up too many nightmares of fiscal irresponsibility and wasted money by your predecessors.....whom, I am delighted to observe, you had absolutely nothing to do with.

## **Tourism**

Mr. Speaker:

I now turn to the Ministry of Tourism.

Mr. Speaker, this FNM government and all the excellent employees at the Ministry of Tourism were doing such a great job in our Number One industry before events, clearly not under our control, completely derailed and decimated the economic engine of our Bahamaland.

In 2019, we ended the year with record arrivals. Never in the history of our country had we welcomed over 7.2 million foreign visitors – an increase of 9.4% over the 2018 numbers.

Air arrivals, stood at a record 1.8 million in 2019, up 10.5% compared to the same period in 2018, and you will remember, Mr. Speaker, that foreign visitors arriving by air..... spend 20 times more than a cruise passenger so, economically, they are that much more impactful. What was also so amazing about that 10.5% increase in air arrivals was....that increase was after taking into consideration the effects of Hurricane Dorian.....which we all know devastated our air arrivals into Abaco, our second busiest stopover destination after Nassau, and Grand Bahama, our third busiest stopover destination. Had we not had that hurricane, air arrivals would have been up by almost 20%.....that was how well our tourism sector was doing.

This increased air arrivals were translating in increased employment and the number of persons employed had grown by almost 15,000 since 2017.....mainly due to the success that we were enjoying in the tourism sector.

It is important to note, Mr. Speaker, that 2019 was also a record for our Family Islands where, for the very first, time, foreign visitor arrivals burst through the 300 thousand mark, coming in at almost 307,000.

Mr. Speaker, I have to pause here and thank the Ministry of Tourism sales and marketing team led by Joy Jibrilu,



the Director General, Tommy Thompson, the Deputy Director General, Mia Weech-Lange, Head of Global Communications and Bridgette King, Head of US Sales who really did an excellent job of maximizing our tourist arrivals prior to the storm and who, after Dorian, once again, did a fantastic job of getting the message out that not ALL of The Bahamas was devastated and destroyed and that 14 of our 16 destinations were still open, un-impacted and ready for business. It was because of them and their incredible teams at the Ministry of Tourism, Mr. Speaker, that allowed us to achieve these records and the nation really owes them a debt of gratitude for the incredible job that they did in 2019 and continue to do in our Number One industry.

Cruise arrivals also achieved new records in 2019 with 5.4 million visitors entering the country by cruise ship, an increase of 11.3% over 2018. Those 5.4 million cruise passengers ended up making 8 million stops in The Bahamas since studies show that one third of all cruise passengers visit two or more destinations during their cruise through The Bahamas.

Mr. Speaker, 2020 started off strong with cruise arrivals up 26% for January and February and air arrivals down by only 3.3% as the effects of Hurricane Dorian on Abaco

and Grand Bahama arrivals continued to be felt. We were on track for another record year and then, sadly, Category 10 Hurricane Coronavirus struck and totally wiped out all tourist arrivals to The Bahamas bringing our Number One industry and the driver of much of our economy to a hard, cold stop!

Mr. Speaker, today, The Bahamas, and the global community, confront an immense economic challenge brought about by the outbreak of the COVID-19 pandemic. Of all the economic sectors impacted, tourism has been the worst hit.

Overall, the International Monetary Fund (IMF) expects the global economy to contract by an average of 3% in 2020 and to rebound in 2021 (up 5.8% on average). This new global recession has placed extreme pressure on businesses of all sorts, especially in service industries and the tourism sector.

The United Nations World Tourism Organization (UNWTO) has noted that globally, the tourism industry remains at a standstill.....as some level of COVID related travel restriction remains in place in 100% of

tourist destinations, and borders remain completely closed to international tourism in 72% of destinations.

As such, Mr. Speaker, the tourism industry is among the most heavily affected by the continuing health crisis and is expected to continue to feel the effects of the concurrent economic crisis for some time. In this regard, the UNWTO has noted that international tourism was down by 22% in the first quarter of 2020 and could decline by as much as 59% to 78% over the course of the year, depending on how long it takes (i.e. July vs December) for international borders to reopen and travel restrictions to ease.

Mr. Speaker, The Bahamas happens to be one of the most tourism dependent countries of the Caribbean. The pandemic has cost us losses of almost a billion dollars in tourism revenue and close to 40,000 jobs. The impact on our sector has been unimaginable. Three months ago, I

impressed upon this Chamber the now infamous words **“There will be no tourists...”** and for ninety days we have collectively borne the burden of this devastating reality. It has been heartbreaking for everyone who has worked so hard to see the rebound of our destination following Hurricane Dorian in September of last year.

Mr. Speaker, I have purposely added these somber and sobering comments into my presentation because it is critical that, as a nation, we squarely face the harsh reality of the world of COVID-19. I hasten to add that, my Tourism Team and our key industry partners are not in any way daunted by our new economic reality, harsh as it may be.

As the Ministry of Tourism and key industry partners resolutely go about the business of implementing our country’s strategic plan for tourism recovery, we feel a keen sense of encouragement and hope — for several reasons.

Mr. Speaker, in a few minutes, I will lay out the principal features of our tourism recovery plan, but before I launch into that discussion, I would like to expound briefly on the realities that give us hope in the face of a future clouded with uncertainty.

Our greatest source of encouragement, Mr. Speaker, comes from the Bahamian people. The Bahamian people is one whose middle name spells **RESILIENCE**. The Bahamian people is one who have weathered many a storm with steadfast determination and emerged **VICTORIOUS**. The Bahamian people is one that is uncompromising in their shared pursuit of **EXCELLENCE**.

We are a people who are powered by faith; a people who, with each setback, loss and tragedy, rise again and again. The nature of our people inspires us with hope.

But, Mr. Speaker, there are also other encouraging realities:

**Our geography** is one that is favorable to our economic recovery. We are a mere 50 miles off the coast of the United States, the source market from where close to 82% of our visitors originate. The watch word of the era of Covid-19 and beyond is social distancing.....and we

welcome this! Indeed, our 700-island strong archipelago with so many sparsely populated, remote islands is designed for social distancing.

We are also encouraged by feedback from travel consumers. In the 21<sup>st</sup> century, travel is no longer seen as a luxury. It is considered an inalienable right.

The world is now in the third month of shelter in place and self-isolation. The evidence all around us is showing that quarantine fever is setting in. People are bursting at the seams to get out and explore the world once again.

Recent data from a poll of our country's primary source market, North America, indicates that 75 to 83 percent of respondents are ready to travel again. Airlines are already indicating – particularly for the months of August and beyond – an uptick in demand as people book flights for travel to The Bahamas. Being cautiously optimistic,

Mr. Speaker, we interpret this increased desire for travel to The Bahamas as an indication that our country will see a rebound in tourism earlier than anticipated.

Mr. Speaker, for the fiscal year 2020 – 2021, the mission of the Ministry of Tourism, its key industry partners and stakeholders is **Tourism Recovery**.

However, any mission is only as effective as its plan.

And so, after wide consultation with our industry partners, contracted agencies, stakeholders, and after probing research analytics, I am satisfied that my Ministry has crafted a tourism recovery plan that will guide us in uncharted waters to gradually recapture and rebuild our market share temporarily lost by Covid-19.

Mr. Speaker, while it is of paramount importance to relaunch our economy, we will be guided first and foremost by concern for the health and well-being of our residents and visitors. An integral part of our tourism recovery plan is vigilance in adhering to international standards in protocols and best practices for keeping our residents and visitors safe from contagion.

I am proud of the fact that my Ministry, in partnership with The Bahamas Hotel and Tourism Association, worked alongside public and private sector partners including the Nassau Paradise Island Promotion Board, Paradise Island Tourism Development Association, Bahama Out Islands Promotion Board, Grand Bahama Island Tourism Board, Nassau Airport Development Company, Nassau Cruise Ports, Association of Bahamas Marinas, Hutchinson Ports, Grand Bahama Airport Co. Freeport Harbour Co and Freeport Container Port, and the Bahamas Ministry of Health, who all came together to form the Tourism Readiness and Recovery Committee (TRRC).

The aim of this committee was to provide a road map for the Government and other tourism industry stakeholders to use as a guide to prepare for the imminent re-opening of The Bahamas' internal and external borders to local and international travel and to re-enter the tourism market in a strategic manner which considers health and safety pivotal to the sustained restoration of the Bahamian tourism economy.



Mr. Speaker, I salute, and thank this hardworking group for their indefatigable energy and focus in creating a stellar plan for our industry – one that we can all be proud of. I am told that there were close to 30 sub-committees and over 150 people who contributed from every sector that impacts tourism including destination management organizations, hotels, taxis, vendors, laundry and dry -cleaning operators to name a mere few.

Following upon the development of the Tourism Readiness and Recovery Committee plan, my Ministry went into full gear to begin training frontline workers in how to apply the plan to their everyday lives moving forward.

Mr. Speaker, in preparation for the reopening of the tourism sector, my Ministry, along with the Ministry of Health, and Department of Environmental Health, conducted a series of six Tourism Compliance Workshops over the course of 3 days. While the in -person sessions were conducted at the Hilton Hotel (obviously observing all the new social distancing protocols), these workshops

were simultaneously streamed online to participants throughout the length and breadth of the entire Bahamas.

Our goal was to provide customer service training, bio-security protocols and sensitization.....to the frontline workers in the tourism industry. Our aim was to engage all tourism touch points within the country, including: Public Service Drivers, hoteliers, retailers, straw vendors, beach vendors, land and sea-based attractions and tours, marinas, hair braiders, restaurants and bars. Each workshop consisted of health and personal safety guidelines, as well as a recap of how COVID 19 is transmitted by the Ministry of Health; proper cleaning and sanitization protocols by the Dept of Environmental Health; and exemplary customer service and compliance once domestic and international travel resumes by our own Industry Training unit.

To date, Mr. Speaker, I am proud to report that we have trained a total of 7,545 front-facing industry workers across most islands; 1,150 in person, and 6,395 virtually with the assistance of Bahamas Information Services (BIS). Although this is an impressive accomplishment, we hope to have the many thousands of persons in the industry yet to be trained, register for the next series of

virtual and in person sessions slated to be held Tuesday June 23rd.

Mr. Speaker, as we prepare to forge ahead with tourism recovery, it will do us good to remember, once again, the track record we had set in tourism over the last ten years. Within that span of time, our tourism was firmly entrenched in an upward trajectory, having experienced a whopping 50% increase over ten years, topping out a record breaking seven million plus visitors in 2019. In recent years, our destination earned numerous prestigious travel awards and accolades. In short, the hardworking people of The Bahamas have built for this country a reputation as one of the world's leading warm weather, island, beach destination.

Mr. Speaker, this solid reputation will put us in good stead as we strive to recover our tourism economy through and post COVID-19.

But, Mr. Speaker, as we look at the travel marketplace, what does the current landscape look like?

Intelligence from ongoing research indicates that travel consumers are surprisingly beginning to feel that the worse is over.

Indeed, they are looking forward to the lifting of travel restrictions and have not yet given up hope on that much anticipated summer vacation. They are eager for a relaxing getaway, to rejuvenate from months of being pent up in quarantine. Consumers are now actively dreaming and searching for vacation ideas. Beach vacations to relax and rejuvenate are what travelers are seeking.

For their first post quarantine getaway, however, consumers are skittish about venturing too far from home. They have their eyes set on domestic locations. Fortunately, for us, The Bahamas, because of its proximity, is viewed by U.S. consumers as a domestic location.

Further, in a very recent survey undertaken by Trip Advisor, a company that is now synonymous with honest review of travel, they looked at where their customers wanted to travel across three categories – The Americas, Europe and Middle East (EMEA) and Asia, Pacific and China (APAC).

The Americas topped the list of where people from our largest source market, the United States, want to travel to and the best news of all is that The Bahamas topped the list of places in the Americas to visit and by extension, also topped the global list. We should all

pause and let this sink in.....**we live in a place that the world absolutely wants to visit!**

Mr. Speaker, I am happy that on Monday past, the 15<sup>th</sup> June, The Bahamas commenced the phased opening of the tourism sector. Phase 1 of the Tourism Readiness and Recovery Plan saw the return of international boaters, yachters and private aviation back to Bahamian shores, and across all The Islands of The Bahamas. During this phase, hotels have also re-opened for staff to return to work and put in place all the measures required to ensure that they are ready to welcome guest at the onset of Phase 2.

This is the first part of the strategic, phased reopening approach for the tourism sector that ensures critical health and safety protocols are being adhered to, and that the health sector remains well equipped and ready to respond as necessary. Allowing Phase 1 access to these smaller, low density, special interest groups will ensure a more controlled segment to test the country's new health and safety measures.

The second phase will commence on 1 July and will see the resumption of international commercial travel and the opening of those hotels that are ready to resume operations.

We anticipate beginning to see arrivals starting again soon as we begin the slow climb back to some level of normalcy within this post COVID-19 environment.

Mr. Speaker, there has been much concern expressed about the re-opening of the country to foreign visitors – allowing them and Bahamians returning home, after 1 July, to enter the country without.....I repeat without.....some form of testing to determine their covid 19 status.

The concern expressed has been as a result of what we have all been watching on our televisions.....and reading on social media and in the newspapers about what is happening in the United States – the source of 82% of our foreign visitors.

With the reopening of businesses in all 50 states and the protests that have been taking place in many of the major cities throughout the US, most states are now reporting spikes in the number of positive results from COVID 19 tests.

This has put The Bahamas in an extremely difficult position. On the one hand, we need foreign visitors to return to our country to restart our economy. Foreign visitors from the United States, especially from nearby

Florida, Georgia and Texas and the northeast states of New York and New Jersey and Connecticut and Massachusetts, form the bulk of our annual visitors. We need them to come to restart our tourism sector and put our people back to work.

On the other hand, however, there are the legitimate health concerns that these very people that we need to restart our vital tourism sector and put our people back to work, could end up causing a spike in COVID 19 cases here in The Bahamas and undoing the excellent results that the Ministry of Health has achieved in keeping our death rate low.

Mr. Speaker, my heart goes to the eleven (11) families who have lost loved ones to this horrible virus....especially my Parliamentary colleague, the Member for Yamacraw.

Unfortunately, Mr. Speaker, the Government faces a dilemma.....to which there is no easy decision. Open up and face a potential spike in COVID 19 cases and possible deaths.....or stay closed and face continued economic hardship.

Mr. Speaker, COVID 19 will be here with us for the rest of our lives. It is a new virus for which there is no cure and so, we must all learn to live with this virus and mitigate the risk of exposure as best as we can. That is why the Prime Minister and the Ministry of Health keeps hammering the importance of social distancing and hand washing and the wearing of masks. When we see people all over social media ignoring these simple requests, it is frustrating to those of us that are.....since we know that that lack of discipline plays on the mind of the Competent Authority in deciding whether we can further to open our economy and.....dare I say.....go the beach here in New Providence.

Mr. Speaker, being the accountant that I am, I have looked at the number of COVID 19 fatalities in the aforementioned states and have calculated that.....were all 380,000 of us Bahamians located in Florida, we would have suffered 55 fatalities.....and not the 11 we have, were we all in Georgia, we would have suffered 87 fatalities..... and not the 11 we have, and were all 380,000 of us Bahamians located in New York, we would have suffered 466 fatalities..... and not the 11 we have!



Mr. Speaker, as a country, we have fared far better than all of the states in the United States in terms of keeping our people safe and alive and I salute the Prime Minister, the former Minister of Health and all of the nation's health care workers for a job well done!

So, what are we to do now?

As mentioned, we have opened the country to foreign visitors wishing to come here by private plane or pleasure craft or yacht. These persons will require a molecular swab PCR COVID 19 test with a negative result to enter the country.

Given the spike in the number of positive COVID 19 tests in the United States and the uncertainty surrounding just how many cases will require hospitalization, the Government of The Bahamas has decided to maintain the current status quo until further notice. What we mean by that, Mr. Speaker, is that the Government of The Bahamas, which now requires a COVID 19 test to enter the country up to July 1.....will also require a COVID 19 after July 1.

When we made our initial decision, evidence supported the opening of the tourism sector without the test. We

had the full support of the tourism sector for this decision. But things have changed! The situation has become unclear and ever changing.....so a prudent government must reassess and readjust all decisions related to this COVID 19 virus as the situation evolves on the ground. And that is what we are doing here today!

But I wish to impress, once again, on the Bahamian people, the difficulty of the decisions that we have to make. Stay closed.....or make it difficult for the economy to reopen.....and we will continue to suffer economic hardship and high unemployment OR open too quickly or too wide and face an increase in the number of COVID 19 cases and possible fatalities. This is a hard situation to get right, Mr. Speaker, but we will do our endeavour best to walk that fine line to mitigate the risks of COVID 19 as best as we can.....hopefully, with the full support and prayers of the Bahamian people.

Mr. Speaker, as we move forward with tourism recovery, through and post COVID-19, our marketing efforts, in the first instance, will target four (4) priority categories - domestic tourism, key airlift markets, our Family Islands, and vertical markets.

In the short term, the Ministry of Tourism will be working in partnership with the promotion boards to actively

promote domestic tourism. I am sure that if Bahamians never had an appreciation for what our country has to offer, we do now more than ever.

And so, Mr. Speaker, even as we reach outward in our marketing approach, we will look inward, within The Bahamas, to encourage our own residents to explore this beautiful country – the same lands to which many millions of the world flock each year to enjoy.

**Domestic Travel will rebound first.** Focus will be placed on residents' travel to the Family Islands, Grand Bahama and Nassau/Paradise Island. We will prioritize the development of a domestic tourism growth strategy and will seek to significantly increase travel throughout The Islands Of The Bahamas, with a comprehensive promotional campaign that encourages Bahamians and residents to vacation domestically.

Mr. Speaker, this will be promoted through our Domestic Tourism campaign that we have rolled out this week.

On the international travel front, our marketing outreach will prioritize our **Key Airlift Markets, with short haul flights**, such as South Florida, Atlanta, and New York. We will communicate early and often with travel consumers

in these regions to encourage new and repeat visitors to choose The Bahamas for their first post-quarantine vacation.

We will promote **secluded Family Islands and Beach Vacations**. Consumers will need to continue following social distancing guidelines and the health and Safety protocols that have been established, after travel restrictions relax, making large resorts and attractions perhaps less desirable at this time. Less-populated destinations such as the Family Islands may see an increase in tourism as the appeal of space and seclusion become more important factors in vacation planning.

Finally, we will pay close attention to our **Vertical Markets**. As new trends emerge in a post-quarantine world, it is important to highlight areas where The Bahamas can meet a diverse number of traveler needs and interests (i.e. romance, boating, private flying, fishing) to showcase why they should pick The Bahamas over many other destinations competing for their business.

Mr. Speaker, the Ministry of Tourism is indeed a robust network of stakeholders actively engaged in improving the tourism product of The Bahamas.

There are four key partners involved in marketing The Islands Of The Bahamas destination: The Bahamas Ministry of Tourism and Aviation, the Nassau Paradise Island Promotion Board, the Bahamas Out Island Promotion Board and the Grand Bahama Island Tourist Board. Given the reduction to our budget in this fiscal year, the four of these entities will work together closely and strategically to ensure that all marketing plans are in sync for greater return on investment and efficiency. Each organization will play a clearly defined role.

Research has shown, historically, that brands that maintain a position in the marketplace during crisis have rebounded first. In this vein and during the pandemic it was important to keep brand Bahamas at the top of consumers' minds.

This is the role of the Ministry of Tourism and it was well executed during the COVID 19 crisis when The Ministry ran its marketing campaign to our key markets. Throughout the quarantine period, through strategic advertising and Public Relations, The Ministry of Tourism found efficient ways to keep The Bahamas top-of-mind,

right before the eyes of travel consumers through an empathetic but inspirational messaging.

Given that many of The Promotion Boards member properties were closed, they were able to reserve funds and will launch tactical campaigns when travel bans are lifted.

Mr. Speaker, The Bahamas' marketing outreach, during and post COVID-19 utilised a phased approach, of three distinct phases:

**In the first phase**, we disseminated travel advisories to consumers, member properties and stakeholders, to the travel trade and tourism industry partners and to the media, so that all parties involved with travel to The Bahamas were fully aware of the status of our destination relative to COVID-19.

Mr. Speaker, **in Phase two**, as I have mentioned, we took bold steps to position Brand Bahamas for rebound with a message that inspired our consumers with empathy. As most travel brands halted all advertising this provided the Ministry of Tourism with an opportunity to distinguish itself from the crowd. Additionally, my team at the Ministry conducted virtual sessions with our travel

partners in Canada and the USA which were very well received and had exceptional attendance.

In **Phase 3** of our marketing approach, Mr. Speaker, the focus will be on visitor safety. For destinations seeking to capture market share in the post COVID-19 era, it is imperative that they demonstrate the highest level of health, safety and cleanliness throughout the vacation experience, from arrival to departure, with measures in place to protect the health of visitors, while providing an enjoyable experience. Our role will be to proactively communicate the government's health and safety plans and measures to Promotion Board members, tourism industry stakeholders, media and consumers and it is for this reason that the Tourism Restoration and Recovery Committee have worked so hard to ensure that we are indeed ready to open.

Mr. Speaker, our post COVID-19 communications, sales and airlift strategies will be in sync and tactical, with the primary goal of ensuring a return on investment in all that we do. We will do all we can to ensure that we reclaim our share of visitors who look forward to traveling again. The digital marketing landscape gives us agility with cost-effective, targeted media placements as the travel industry evolves post COVID-19.

We will collectively continue to strive to be the number one destination of choice among our competitors, for the benefit of the people of The Bahamas, our economy and all tourism stakeholders. We will continue to build brand awareness and equity in the individual islands throughout The Bahamas. Through our combined marketing strategy, our social media campaigns and Public Relations initiatives, we will strengthen the position of The Islands Of The Bahamas as a 16-island destination, highlighting what truly differentiates The Bahamas from our competitors. Our efforts to create destination desire and engage new and existing consumers by highlighting our God-given natural assets, our rich culture and heritage, our eco-tourism product and culinary offerings will be ongoing.

Mr. Speaker, in marketing our destination post COVID-19, we will even more aggressively harness the power of communication technology. We will work aggressively towards expanding The Bahamas digital footprint by using data driven insights towards all efforts which includes: social media marketing and governance, search engine marketing, email marketing and virtual reality, and staying abreast of all emerging media that will position us as digital leader within the region.



We will give strong support to our vertical markets by promoting diving and fishing through advertising in publications *produced by* the Bonnier Corporation. Consumers are still actively searching for Wedding locations in late 2020 and 2021. We are working to ensure The Bahamas remains a dream destination – even for these future dates. In both U.S. and Canadian markets, we have targeted the recently engaged and users searching for destination weddings.

Mr. Speaker, in any marketing endeavor, it is critical to know your target audience. In the post COVID-19 travel landscape, we have a very clear understanding of what consumers are looking for. In choosing their vacation destination, consumers are looking for safe and clean conditions, seclusion and small crowds, beach vacations and cruise alternatives, island hopping and vacation destinations close to home. Looking closely at these post COVID-19 consumer demands it is clear The Bahamas exceeds these expectations!

Mr. Speaker, cruise tourism has been a key factor of our tourism product, bringing, as already mentioned, 5.4 million visitors to our country last year and, as we know, this industry too.....has come to a complete dead stop.

I am in constant contact with the leaders of the cruise industry. On Monday, I had a one on one conversation with Arnold Donald, the President and CEO of the Carnival Corporation.....my second such one on one with him. He indicated that the cruise industry has not yet set a date for its reopening as it is still in negotiations with the Center for Disease Control (CDC) in the United States. They are all trying to work out the necessary health protocols that must be in place before during and after a cruise.

The dates that seem to have some traction for an opening of the cruise industry are, at the earliest, sometime in late August or early September and, at the latest, late November, early December. Very fluffy, Mr. Speaker, very vague but we have to wait until the cruise companies and the CDC work it out.....which, of course, is not good news for all those businesses, especially in the downtown area, that rely on the cruise industry for their bread and butter.

Naturally, the cruise industry regards The Bahamas as a critical destination for the restart of their businesses. We are so close to the three busiest cruise ports in the world (Miami, Fort Lauderdale and Canaveral) and a natural first stop.....and, in some instance, a natural only

stop.....for those wishing to venture back onto a cruise ship.

Mr. Speaker, we are extremely optimistic that, when it restarts, the cruise industry will rebound. They have proven time and time again just how resilient they are.....and the data reveals that most persons who booked a cruise have not canceled but simply rescheduled to another date when this coronavirus pandemic is less of an issue.

Nonetheless, Mr. Speaker, Nassau Cruise Port is projecting cruise arrivals into Nassau to decline by over 60 percent in 2020 compared to the record numbers in 2019. But they also project, Mr. Speaker, that by 2022 we should be back to pre-Covid 19 numbers and then, moving forward, add an additional one million cruise arrivals into Nassau every five years.

Mr. Speaker, there are 113 new cruise vessels presently on order with a total passenger capacity of 232,000 scheduled for delivery through 2027 – increasing current cruise capacity by almost 50%.

57% of all cruise passengers worldwide originate from North America and with 21 new cruise ships launching in 2020 and 19 new cruise ships launching in 2021, the

dominant Bahamas and Caribbean Cruise Market will drive deployment of these new ships into our region.

Mr. Speaker, as the Ministry of Tourism and Aviation leads the charge toward tourism recovery, we are keenly aware of the challenges that face us. We are in a period of potentially deepening economic recession and the hurricane season is upon us. We confront each challenge with courage and a well thought out plan of action. Our hurricane preparedness plan is in place, having been updated to incorporate the lessons learned from the previous hurricane, Hurricane Dorian.

Mr. Speaker, the Ministry of Tourism is strengthened by a Global Sales Force that is tasked with the important mission of driving numbers to our destination. Our marketing and PR team communicates the messaging about our destination. Our sales teams, through an array of creative, innovative initiatives, convert consumer interest in our destination into real numbers of visitors heading to our shores.

Our sales team is global in nature, spanning countries (the US, Canada, Europe and Latin America, covering vertical markets including sports, weddings and honeymoons, boating, fishing, diving, private aviation, the MICE groups i.e. meetings, incentives, conventions and exhibitions.

During this three month lock down period, our sales team has been engaged in sessions to assess the programs and initiatives they have used in the past and come up with ways to recreate those programmes and mint new programs to adapt to the travel marketplace of COVID-19 and beyond. Our sales team is energized by the market intelligence that indicates the 83% of travel consumers are eager to travel.

Mr. Speaker, in this new normal, in which we are preparing for tourism recovery, the digital platform is where travel business is conducted, and our sales force has jumped in and made themselves right at home in the online arena. An example of this was the TravelBrand Virtual Show in Canada that had over 2,000 participants. The Bahamas team interacted with over 400 guests, fielding questions and answers from the chat rooms. Guests were able to download our online brochures and videos into their virtual briefcases.

Similarly, the vertical market teams are coordinating details to participate in the Palm Beach Boat Virtual Show which is already reporting more than 9,000 registrants. The contents of our participation will live on the show site for two months.

Mr. Speaker, another example was our team in France, who conducted a dive webinar and live streamed directly with Jeff Birch at his hotel Small Hope Bay in Andros. Our U.S. team conducted a recorded webinar for the national Travel and Adventure Shows. Nine hundred consumers registered and more than 500 attended our webinar and opted in to receive updates. We are still getting questions and positive feedback. In a typical face-to-face show, we would rarely receive this level of engagement and shelf life.

Our Latin America team conducted over 37 webinars for a total of 3,000 agents in our key LATAM countries. These were so successful, the demand for content has increased significantly.

These are just a few of the examples of how team Tourism kept engaged during this pandemic— they remained pro-active and incredibly engaged! They have worked tirelessly to ensure that the industry would be poised to open when the ‘all clear’ was given. They ensured that The Bahamas was not forgotten by our travelling partners during COVID 19 through maintaining a commanding digital presence!

Mr. Speaker, emerging from COVID-19, the mission of my Ministry and our key industry partners is to bring relief to the Bahamian people, over fifty percent of whom depend on tourism for their livelihood. We understand our target market, their expectations and requirements. We have a solid plan, and most importantly, we have a team who has the drive, energy and passion to work relentlessly to recapture over time our share of the tourism market temporarily lost through Covid-19.

Mr. Speaker, COVID-19 has thrown us a vicious curve ball. As we launch our come back, we are not starting from scratch. We rebound from the position of a solid reputation, built with painstaking care, built with love by the people of The Bahamas, who invite the world to come to our shores to rejuvenate and re-energize.

Mr. Speaker, COVID-19 and its aftermath present us with a golden opportunity to build tourism better, in a BETTER BAHAMAS.

## **TOURISM DEVELOPMENT CORPORATION**

*Mr. Speaker,*

Two years ago, the Ministry of Tourism launched the Tourism Development Corporation, TDC, to connect our domestic economy with our expanding tourism market. This way, we could empower Bahamians as individual stakeholders while the industry continued to grow.

More importantly, we needed a way to ensure that the millions of dollars spent by our visitors remained in the deserving hands of Bahamians! For too long, we were shipping money back outside the country, rather than giving aspiring Bahamian entrepreneurs the guidance they deserved. For too long, opportunities in the tourism sector were going untapped by Bahamians. For too long, *Mr. Speaker*, we ignored tourism's potential to drive this great country forward. We needed to make Bahamians stakeholders in their own national development.

Indeed, the very purpose of the TDC is to **inspire, develop**, and then **reinforce** the necessary linkages between Bahamians and their tourism sector.

Today, the TDC serves as the “go-between” for The Bahamas’ tourism sector – providing micro, small and medium enterprises, boutique hotels, agro-tourism practitioners, tour operators, and artisans.....assistance operating a



successful tourism-driven business. The TDC remains a steadfast partner in the business development ecosystem, and one Bahamian entrepreneurs can turn to in these uncertain times.

*Mr. Speaker,*

To better serve the Bahamian people, TDC has entered into a strategic partnership with UB in the development of Community Based Tourism, or CBT. This program enhances the visitor experience through authentic, cultural exposure – driving tourism revenue directly into the hands of local Bahamians; in so doing, improving the quality of their livelihoods. Our Bimini pilot program has been well received and further plans are in the works to expand through the Family Islands, as well as the heritage villages here in Nassau.

Moreover, the TDC has worked closely with the Ministry of Agriculture & Marine Resources, compiling a *Suppliers Directory* comprised of contact information of agritourism practitioners that can be used by the hotel, cruise and tourism industries. It is truly baffling, *Mr. Speaker,* that the U.N. Food

and Agriculture Organization estimates that we import some **\$18 million** in fish per year – imagine that money in the hands of Bahamians!

Indeed, the linkages between the various components of our tourism sector—including where restaurants source their fish and produce—need to be examined more closely to see where Bahamians might benefit the most. The TDC has engaged in numerous gap analysis seminars to talk to entrepreneurs about opportunities in their respective communities and how they can ready themselves to participate in the tourism sector.

*Mr. Speaker,*

Though tourism has been at a standstill for much of the past four months, I can assure you and all Bahamians that the TDC has proven flexible in their adaptation to an increasingly demanding digital work environment.

Emphasizing their close partnership with UB, the TDC has staged a series of webinars surrounding resilience, re-evaluation, and recovery in a post COVID-19 tourism economy. All four have thus far been oversubscribed – a clear indication that this nation’s tourism stakeholders are eager to embrace the challenges that lay ahead, and

that they look forward to doing so with guidance from the TDC. Indeed, many will agree that the TDC has been the proverbial lifeline for tourism entrepreneurs during this crisis.

Moreover, the TDC remains in productive communication with some of the world's leading tourism marketplaces. *Airbnb's* Experiences Platform is eager to add to the 150 Bahamian tours already online, and *TripAdvisor* has provided tour operators valuable counsel in dealing with conflict resolution—we can run a little hot sometimes!—to ensure high standards and even higher ratings.

The natural development of these tours into more formalized operations augurs favorably for the development of a certification program. Discussions are already underway with the Inter-American Development Bank (the IADB), to implement a “sustainable tourism certified checklist” – recognizing local businesses which are fully compliant with COVID-19 protocols with a seal of approval. This enhanced quality assurance will

undoubtedly give visitors greater confidence in purchasing our tours, goods, and services, and help solidify consistently high standards across the industry.

*Mr. Speaker,*

Some three months ago, I noted in my most recent address to this esteemed House that the very nature of tourism would undergo a rapid transformation in the coming months. Our vision of the tourism industry has been forced to shift accordingly, and now, more than ever, we need the presence of a statutory body such as the TDC to **redevelop, reproduce,** and **reinvigorate** the very same linkages that brought tremendous prosperity to these islands in 2019.

As we reopen our borders to the world, considerable uncertainty surrounds our shores – but this Ministry of Tourism wishes, above all, that tourism stakeholders adhere to the “new normal” of tourism moving forward. To this end, the TDC will help guide and direct tourism entrepreneurs to the respective health and safety guidelines, whilst monitoring their compliance with sanitation requirements intended to keep both themselves and their customers safe.

## **HLB (Clean & Pristine)**

*Mr. Speaker,*

One of the key takeaways from the Tourism Readiness and Recovery Committee's extensive report was the need for **CERTIFICATION** to ensure that ALL tourism establishments are operating in compliance with new measures to prevent a resurgence of infections.

The newly established *Certification Agency* will work collaboratively with the Ministry of Tourism, Ministry of Health, and other regulatory agencies to ensure applicable tourism related entities, self-employed individuals, hotels, restaurants and other tourism touchpoints have in place and adhere to on an ongoing basis, the Government approved health and safety guidelines, practices and protocols.

An extension of the broader **Clean & Pristine, Responding to COVID-19** mandate, this certification process covers all tourism related customer-facing entities in The Bahamas. Certification follows a

standardized procedure to guarantee all tourism touch points are accordingly compliant with regulations.

*Mr. Speaker,*

Allow me to outline the simple three-step process.

First, the Certification Agency will use approved health and safety standards as the measure to review and, once verification steps are undertaken, certify that the applicant meets or exceeds health and safety protocols and procedures. For this step, the size, scale, and uniqueness of business operations will be considered.

Then, the Certification Agency will review the submitted health and safety processes in collaboration with the underlying enforcement authorities.

Finally, the certification, audit, and enforcement process will be incorporated into existing licensing procedures, audits, and inspections by established agencies and authorities, supporting ongoing regulation processes.

To achieve certification, an entity must demonstrate a thorough commitment to the health and safety of both their employees and their guests; this is not the time to cut corners and those establishments which choose to do so will simply be restricted from receiving certification.

*Mr. Speaker,*

The following checklist should be considered the benchmark for tourism entities:

- Management commitment
- Clean & Pristine Manager/Designated Representative
- Communications plan for internal/external stakeholders
- Routine employee wellness checks
- Physical distancing protocols
- Temperature checks, with guidelines for reporting any acute illnesses to the MOH Surveillance Unit
- Display of updated health advisories
- Disinfection of facilities and equipment
- Procedures for COVID-19 case management

No business which falls under our tourism portfolio will be immune from adhering to this checklist. **I repeat**, every single entity operating in The Bahamas' tourism sector will be subject to these guidelines, including, but certainly not limited to:

- Excursions, tours, and local attractions,
- Vessel and ferry operations,
- Jet ski operations,
- Food and beverage purveyors,
- Indoor restaurants, bars, and lounges,
- Outdoor express operations,
- Hotels (large and small), including all stages of guest interaction,
- Water park, pool, and beach operations,
- Casino operations,
- Vacation rentals,
- Taxi and jitney services, and
- Retail operations.

*Mr. Speaker,*

Opening this critical economic sector must be done with extreme care. We cannot be headstrong in our approach, but rather—as they say these days—“Trust the Process.” This Ministry wants nothing more than to return to the tourism boom of yesteryear, but it can only do with the support of the country’s tourism establishments. This is truly a country-wide commitment to recovery.



## **Tourism Related Foreign Direct Investment Projects**

Mr. Speaker:

I wonder if may digress a little to talk about Tourism related projects in the pipeline.

Exuma, remember when you said that you heard nothing about Foreign Direct Investment Projects when the Minister of Finance, the Member for East Grand Bahama made his Budget Communication. Well, get ready, fasten your seat belt.....here we go!

### **Nassau Cruise Port**

The first is the Nassau Cruise Port which the Member for Bamboo Town and the Minister of Transport made mention of in his Budget Communication last week.

Mr. Speaker, this project calls for a massive investment in the Prince George Wharf over the next two years.

In fact, Mr. Speaker, this project calls for over \$250 million in investment.....which, if one wants to give that some perspective..... is \$70 million more that the entire capital budget allocated to the Ministry of Works for the upcoming 2019/2020 year.

Mr. Speaker, this project is off to a great start. A month ago, this project went to market to raise \$130 million from Bahamian pension funds, Bahamian investment funds and Bahamian individuals. You will remember, Mr. Speaker, we wanted and mandated that a majority of the debt and a majority of the equity be owned.....owned Englerston.....by Bahamians.

Mr. Speaker, I must say I was apprehensive that Nassau Cruise Port could raise that \$130 million from Bahamians given the current environment of no cruise ships in the harbor and the enormous amount of uncertainty surrounding the cruise industry in general. I was pleasantly surprised, therefore, to learn that the share offering was oversubscribed, Englerston, oversubscribed with approximately \$150 million being raised from Bahamians when the intended goal was only \$130 million.

Mr. Speaker, what is so amazing about this project is that it will not cost the tax payer one dime. Mr. Speaker, it is fully funded.....which is extremely advantageous given the current economic situation.....and will bring about the complete transformation of the Prince George dock from what it is today.....which is not something anyone is proud of.....to a world class port.

Englerston, you can run on all you want about why you think this deal is bad.....but I can tell you one thing, the deal is funded.....in an incredibly challenging environment.....and it is getting built. The time for talk is over! The rubber is hitting the road and the project is getting built.

Mr. Speaker, this is what a Public Private Partnership (PPP) is all about. Using private sector funds to improve.....to transform.....an asset owned by the Government of The Bahamas and bring about a transformation.....to the benefit of the people of the Bahamas. With money tight and financial resources scarce, this is the only way that the Government Bahamas can tackle all the airports and ports that it needs to build.

The redevelopment of the port facility will occur in three (3) phases. The first phase of the project, which involves the demolition of the current buildings and structures, is already underway and should be completed by December 2020.

Phase two, commences in August, and involves completing the marine works, which includes dredging

the harbour, to accommodate the world's largest cruise vessels, extending the cruise pier 800 feet to the east to create an additional berth, creating a much needed berth to accommodate mega yachts and rehabilitating the existing piers and other structures that have suffered years of neglect.

In phase three, landside works will be commenced in January 2021 to create a completely new waterfront in downtown Nassau inclusive of a new cruise passenger terminal, a waterfront park, an amphitheatre, and shops and restaurants which will be rented to local artisans, entrepreneurs and merchants.

The \$150 million raised last month should take care of Phases One and Two. Another \$100 million will be raised next year to take care of Phase Three. It is anticipated that the project should take two years and be completed by April 2020.....just in time for you know what!

KPMG, the world class accounting firm, estimates that this project will create over 800 jobs during construction. When completed, it will also create 1,000 direct and

indirect jobs, attract more than 90% of the cruise passengers to disembark and come ashore and shop and, as a consequence, add half a billion dollars annually to the economy of The Bahamas for the next 30 years.

Finally, Mr. Speaker, the costs to operate the port and repay the debt will be paid for by the cruise passengers via passenger and port facility charges....and not the Bahamian people through its taxes.

When Englerston ran this port....for ten years....for ten long years, all we could earn from the cruise companies was a lousy 70 cents a passenger in port fees.....the Port of Miami is get over \$13 a passenger and Port Everglades in Fort Lauderdale is get over \$15 a passenger.....and all we got is a lousy 70 cents a passenger. As a result, our port is one jook up, jam up hot mess!

Now, we have a credible plan, with real money to back it up, and construction is underway. In two years, we should have a world class brand new cruise port and waterfront in the heart of downtown. This will provide a real catalyst for the long awaited, long talked about redevelopment of Bay Street and create hundreds of

construction jobs and a thousand jobs for Bahamian entrepreneurs.

Exumas and Ragged Islands.....you are probably the next PLP with any chance to lead a Cabinet.....and when you do, and Englerston is still around.....put her in Foreign Affairs, so that she can be out of the country when you evaluate and approve deals because, if she is around, all she will do is delay and oppose sensible deals and nothing will get done.....case in point the Port for the last 10 years.

### **Grand Lucayan**

Just three short months ago, the Government signed a Heads of Agreement with Hollistica, a joint venture between Royal Caribbean, one of the largest cruise companies in the world and the ITM Group, developers of the Costa Maya Seaport in Mexico, and Puerto Plata cruise port in the Dominican Republic.....for them to purchase the Grand Lucayan property for \$65 million.

There was a considerable amount of opposition to the government's decision to acquire this hotel. We were castigated for our decision to buy the hotel even though our sole intention was purely to hold it for a short period of time as we sought out a reputable, well funded,

successfully managed company to acquire it and, more importantly, redevelop it.

The government could not, should not and did not heed the advice of our naysayers who screamed from the hilltops that we should let this hotel shutter and deteriorate into the condition of the Royal Oasis down the road. Is that what you want us to do Cat Island? Abandon the people of Grand Bahama and not try our endeavour best to revitalize the economy on that island.

We were so delighted to finally.....finally.....be on a path to dispose of that property and get it in the hands of a professional operator who was backed by such reputable, well known, well funded companies like Royal Caribbean and ITM, both of whom brought to the table an enormous amount of experience in the tourism sector and a proven track record of successful projects.

We were so close, Mr. Speaker, so upbeat.....and then Category 10 Hurricane Coronavirus struck, disrupting and significantly affecting the core business of the key investors in this transaction and everything was temporarily put on hold while we sheltered in place and tried to work out if and how this project would continue.

Mr. Speaker, I am delighted to report that Hollistica is still intending to proceed with this project, albeit with a small delay, and the new timeline involves completing the purchase of the property in the coming months and then commencing the construction component of the project at the beginning of 2021.

Mr. Speaker, this \$250 million project is so important for Grand Bahama since it will involve the construction of a new, attraction filled, cruise port in the Freeport Harbour as well as transform the Grand Lucayan Resort into a theme park, featuring water-based family entertainment, with dining, gaming and entertainment options, and vastly improved hotel accommodations.

Tourism in Grand Bahama is looking for.....no! Is in need of this boost. Having been significantly impacted by Hurricane Dorian, Grand Bahama needs a catalyst to bring about the revitalization of its tourism product. This project will ultimately bring about hundreds of jobs in construction, thousands of jobs in operations of the new port and the redeveloped hotel and thousands of indirect jobs in the local economy as hundreds of thousands of stopover visitors and millions of cruise passengers begin to vacation in Grand Bahama.



This project, along with the cruise port intending to be constructed by Carnival Cruise Lines in Freeport, involving, once again, hundreds of millions in construction and thousands more jobs, are to form the catalyst for the rebirth of the tourism industry in Grand Bahama.

We just need to get this Coronavirus behind us so that people can begin cruising again and these projects can get underway in earnest!

### **Other Projects**

Other tourism related projects involving foreign direct investment include:

1. Continuing construction of high end vacation homes (involving hundreds of millions of dollar) at Albany and the proposed expansion of the Albany project over the road and onto the old South Ocean Beach property.
2. The redevelopment and renovation of the hotel and club house at The Lyford Cay Club.
3. The \$500 million construction of a new water park and beachfront restaurant at Bahamar
4. The ongoing \$100 million construction of the Wynn hotel/condo opposite of the Office of the Prime Minister.
5. The finalization and soon to be commissioned Margaritaville Beach Resort in downtown Nassau.

6. The continuing construction of the \$250 million mixed use project at Hurricane Hole on Paradise Island by the Sterling Group.

7. Numerous reconstruction projects on Abaco involving hundreds of millions of dollars, most notably the renovating of the high end homes at Baker's Bay on Guana Cay.

8. The recently announced \$300 million hotel and marina project in South Abaco by the Tyrsoz family.

9. The ongoing Beach club development and construction on Bimini by Resorts World to accommodate the 80 or so cruise stops that the brand new Virgin Cruise Line expects to make when cruising resumes.

10. The resumption of the \$50 million Harbour Island Resort and Marina Development project on Harbour Island.

11. The ongoing \$400 million Disney project in South Eleuthera.

12. The ongoing construction of the Caerula Mar Club, a boutique beachfront resort, in South Andros by HGTV stars, Bryan and Sarah Baeumler from Canada.

13. The addition of 20 new guest houses at Kamalame Cay Resort in Central Andros.

So, Exuma, as you can see, there are many, many projects ongoing in The Bahamas involving foreign direct investment. You get the point! And, naturally, that does not include the many, many rooms, guest cottages and small guest houses that Bahamians are building to take advantage of this whole AirBnB phenomena.

Mr. Speaker, I now turn to the Aviation components of my portfolio.

## **Bahamas Civil Aviation Authority**

Mr. Speaker, The Bahamas Civil Aviation Authority is charged with the responsibility for regulating, monitoring, and promoting the safety, security, economic viability, and reliability of the aviation sector in The Bahamas.

It was established on 3 October 2016 under the Civil Aviation Act 2016.

Outside of its normal regulatory work, the BCAA focused on three (3) major initiatives during the past year.

1. Modernizing and updating the country's aviation legislation in preparation of an upcoming audit by the International Civil Aviation Organization in 2021.
2. The monetization of the airspace.
3. Hacking and Illegal activity

## **Modernizing and updating the country's aviation legislation**

First and foremost, in the area of safety and regulatory oversight, the Authority has worked assiduously over the past year to improve a less than satisfactory result it received from the International Civil Aviation Organization Universal Safety Oversight Audit Program (ICAO USOAP), held October 23 – November 2, 2017.

Mr. Speaker, the International Civil Aviation Organization (ICAO), is a United Nations specialized agency, established by its Member States in 1944 to manage the administration and governance of global aviation.

Mr. Speaker, as you can imagine, aviation involves not only flying within a particular country but also, involves flying from one country to another country. So, the world.....through the United Nations.....recognized, back in 1944, that it was sheer madness for each country to have its own separate rules and regulations governing aviation. The world recognized that, for aviation to work and to thrive and to flourish, there must be a standard set of rules to govern aviation and so, when the United Nations created the International Civil Aviation Organization in 1944, that body immediately created the world's aviation rules, known as the Convention on International Civil Aviation. And since, this convention was crafted in Chicago, it is known as the Chicago Convention. The Bahamas became a Member of ICAO in 1975 and signed onto the Chicago Convention at that time.

Presently, there are 193 countries who have signed onto the Chicago Convention.

ICAO works with each of these 193 Member States and industry groups to reach consensus on international civil aviation Standards and Recommended Practices (SARPs) and policies.

These SARPs and polices are crafted in support of a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector.

These SARPs and policies are also used by ICAO Member States to ensure that their local civil aviation operations and regulations conform to global norms, which in turn permits flights in aviation's global network to operate safely and reliably in every region of the world.

You see, Mr. Speaker, ICAO, in fulfilling its mission to ensure a safe and efficient civil aviation sector will never force overtly a Member Country to adopt its Standards and Recommended Practices.

However, if you are a signatory to the Chicago Convention, as we are, ICAO will, from time to time, visit your country and audit your effective implementation of its Standards and Recommended Practices.

They then publish on their website the results of your most recent audit by giving you an effective

implementation score for all the world to see. Naturally, no country wants a low score since that may negatively impact the development of its aviation sector so, while you are not forced to improve your effective implementation score, there is significant pressure to do so.

ICAO's Standards and Recommended Practices, for each area of ICAO's responsibility, are contained in 19 Annexes. Each Annex deals with a particular subject area. All are subject to regular amendment and the details in respect of many of the Annexes are contained in publications called the ICAO Document Series.

ICAO manages the uniform global implementation of its Annexes through its No Country Left Behind (NCLB) initiative. The No Country Left Behind (NCLB) initiative ensures that SARP implementation is harmonized globally. Proper implementation of these SARPs are verified through oversight audits performed by ICAO auditors.



In the safety domain, these audits are carried out under the Universal Safety Oversight Audit Program (USOAP), while in the security domain a similar Universal Security Audit Program (USAP) is used. These audits are restricted to looking at and studying only the legislation, resources and other capacities which Member State governments establish in order to effectively implement ICAO's Standards and Recommended Practices in each area.

Mr. Speaker, during the period 23<sup>rd</sup> October to 3<sup>rd</sup> November, 2017, just five short months after I was appointed the Minister of Aviation, the Bahamas was the subject of an ICAO Safety Audit.

Unfortunately, the results were not good. We scored an abysmally low 32 out of 100 during this audit. As a result, for the past two years, the BCAA has been seeking to make the necessary changes to the country's aviation legislation to ensure that when we have another audit in 2021, we will vastly improve our score.

During the ICAO Safety Audit of 2017, it was found that the air accident investigation department was largely non-compliant with the standards and recommended practices of Annex 13 to the Chicago Convention.

The Civil Aviation Act and Regulations in force did not address the latest amendments (15 and 16) to Annex 13.

Due to the lack of compliance with Annex 13 in the Country's legislation and regulations, ICAO's effective implementation score for the Air Accident Investigation Group (AIG) was a horrendously low 19%.

To correct that low score, the BCAA proposed and the Parliament passed the Air Accident Investigation Authority Act, 2019 with accompanying regulations.

This legislation created an Air Accident Investigation Authority which is independent from all other State aviation authorities and other entities that could interfere with the conduct or objectivity of an investigation.

As a result, this new authority was then moved from the portfolio of the Minister of Aviation and placed under the portfolio of the Minister of Transport to ensure that the body providing the oversight of the aviation sector (the BCAA) was not under the same Minister as the body investigating an air accident, thereby creating a conflict.

Passing this new act effectively satisfied 99 of the 103 Safety Audit Protocol Questions.....raising our Safety

Audit score on Air Accidents from a dismal 19% to a much more impressive 96%.

During the remainder of 2020, the BCAA will propose a suite of new aviation legislation, all in a quest to raise our low scores in areas audited by ICAO in 2017.

Mr. Speaker, we will propose and lay before this House an **Air Navigation Services Authority Bill, 2020** which will seek to establish a separate entity to manage air traffic control services within The Bahamas. Presently, air traffic control is embedded within the Bahamas Civil Aviation Authority which ICAO feels is not ideal. They feel that an operator in the aviation sector (air traffic control) cannot be managed by the regulator of that same aviation sector.....so air traffic control must be detached, broken off and set up as its own independent entity.

Mr. Speaker, we will also propose the complete repeal of the Civil Aviation Act, 2016 and replace it with a new **Civil Aviation Bill, 2020**. So much has changed in the aviation

sector since the Civil Aviation Act, 2016 was passed and rather than seek to amend that Act, it was suggested that the entire Act be repealed and replaced with an Act that modernizes the rules and adopts the new ICAO regulations that governs the Aviation sector. In the new bill, changes reflecting the creation of the Air Accident Investigation Authority, the creation of the Bahamas Air Navigation Services Authority and the creation of a separate Bahamas Civil Aviation (Authority) Bill will all be reflected in this new legislation.

Mr. Speaker, finally, we will also propose the introduction of the **Civil Aviation Authority Bill, 2020** which will create a separate piece of legislation governing the how the civil aviation authority will be governed and managed.

Mr. Speaker! This all seems like a lot.....but our experts feel that all these separate pieces of new legislation are necessary to modernize, clean up, simplify the safety oversight regime in place in our aviation sector and, most importantly.....most importantly Mr. Speaker, prepare The Bahamas to achieve a far better audit grade in our next ICAO audit in 2021.

### **Monetization of Airspace**

Since its establishment, the Authority has relied primarily on the Government to fund all of its activities which has

amounted to \$19 million and is budgeted for \$15 million next year.

Most civil aviation authorities and most air traffic control providers generate fees from the provision of their services and so, the Bahamas Civil Aviation Authority has begun, in earnest, the journey to do just that.

One such example is the proposal to monetize the **sovereign** airspace of The Bahamas. Mr. Speaker, the sovereign airspace of the Bahamas can best be visualized by drawing a line around the islands of the Bahamas and adding 12 nautical miles. Some people tend to confuse the project to monetize the **sovereign** airspace of The Bahamas with the project to expand of the Bahamian Flight Information Region (FIR). While we hope to achieve both, monetizing the **sovereign** airspace of The Bahamas is seen as the most achievable in the short term.

Monetizing the **sovereign** airspace of The Bahamas would involve the implementation of the necessary technology to measure and track each and every aircraft that flies through our airspace. Over 1,000 planes fly through our airspace every day. Almost 90% of them never stop! In addition to tracking these aircraft, the

technology would need to generate a bill for the distance travelled through the sovereign airspace of The Bahamas, send that bill electronically to the owner/operator of the aircraft, and then pursue that owner/operator for payment.

To help in this exercise, the BCAA engaged ALG Global, a leading airport and aviation consulting firm to help us determine the number the flights through our sovereign airspace (over flights), the number of flights into and out of our sovereign airspace from international destinations and the number of flights flying domestically within our sovereign airspace.

Then we asked ALG Global to help us to determine the methodology of how much we should charge each category of airspace users.....whether we should use distance traveled or the maximum takeoff weight of the aircraft as the basis for determining the fee.

Then we asked ALG Global to help us figure out all of the different types of users of the airspace: General Aviation, military, commercial, cargo, etc. since all of them would have a different billing rate.

Then we asked ALG Global whether it would be better to charge a flat fee (easier) or a fee based upon distance traveled.

Then we asked ALG Global to help us calculate the costs to provide air navigation services in our aviation sector since ICAO stipulates that all funds generated from airspace use fees can only be used to cover air navigation services and oversight of the aviation sector.

To be clear, Mr. Speaker, over flight fees and airspace user fees **cannot** go into the Consolidated Fund to fund the government's general expenses.....even the construction of airports. They can only be used to cover the cost of providing air navigation services.

Mr. Speaker, the consulting project by ALG is nearing completion and we hope to have finalized how we will charge and how much we will charge in the next month or so. Then we will start the process of consulting with the airline industry through IATA (the International Air Transport Association) and the service providers of air navigational services in our sovereign airspace (the FAA

and the Cubans) and hopefully, six months later, sometime in early 2021, we will be in a position to begin to collect our first dollar from our sovereign airspace.

Mr. Speaker, while the consultation period with industry is ongoing, we will begin the process of selecting a company (hopefully, a Bahamian company) that has the technology to track every flight through and within our airspace. That company will generate the bill for the airspace user and either we will use that same company to collect the fees or we will contract with IATA to do so on our behalf.

Mr. Speaker, this is exciting stuff. Lots of twists and turns! Many things can still go wrong! But, I am focused and resolute and, after 47 of independence, I feel like we are inching closer and closer to the glorious day that we will begin to finally earn what is rightfully ours from geographically blessed airspace.

### **Hacking and Illegal Activity**

Mr. Speaker, the use of illegal charters or hacking, remains a vexing problem for the Authority but I am advised by the Director General of the Bahamas Civil Aviation Authority, Captain Charles Beneby, that the situation is improving and more and more of the pilots, who were once involved in unlicensed operations are



coming in to be properly licensed. In fact, during the lockdown, those unlicensed pilots who applied to fly charters were denied the ability to do so I think that that drove home the necessity to do the right thing and get straight!

As a component of the remedial actions, the Authority has moved to end the practice of illegal air charter operations within Bahamian airspace. It has diligently implemented “anti-hacking” initiatives through increased airport surveillance; launched public awareness campaigns to highlight the risks of traveling on illegal aircraft charters; proposed reforms to the civil aviation laws governing private pilots and general aviation operations; and pushed for strict enforcement of civil and criminal proceedings against illegal charter operators.

Those involved in this nefarious activity have been encouraged to regularize their affairs through the Authority and become properly licensed pilots and charter operators. In that regard, the Authority has streamlined its certification process for obtaining the

single pilot Air Operators Certificate and has hosted several industry meetings to encourage prospective pilots to certify their activities properly.

The Authority will increase enforcement activities and will aggressively pursue criminal and or civil penalties against all persons committing any activity that is not in compliance with Regulatory requirements. Those persons who chose to remain unregulated, are engaging in criminal activities. Further, persons facilitating these activities also shares culpability.

The new initiatives include:

- All pilots seeking access to restricted areas of the General Aviation section of LPIA are now required to be in possession of a valid identification badge issued by the Security Department of the Airport

Authority. A condition of gaining that badge is that the pilot is properly licensed to operate an aircraft in The Bahamas.

- All Bahamian Persons holding foreign issued licenses issued by other States must now apply to have those licenses converted to Bahamian licenses, thus falling under the full scrutiny of the BCAA. Pilots will be required to show proper levels of training and, regency of experience on type of aircraft being flown.
- All foreign registered aircraft based anywhere in the Bahamas for a period longer than that allowed by the Act/Regulations must be registered with the BCAA, showing proof of ownership and be on an approved maintenance program with a valid airworthiness certificate.
- All areas engaged in general aviation activities will be subjected to increasing scrutiny and surveillance to interdict and discourage unauthorized flight operations.

The Authority seeks to facilitate an environment that promotes a safe, efficient and profitable aviation sector and strives to have an industry with the least possible number of incidents and pilots who are fully regulated, responsible, and willing to abide by the Authority's rules and regulations. The Authority believes that its mandate, moral and ethical obligation to the flying public to demand the highest level of safety. It is expected that these initiatives from the past year will discourage and eventually eradicate the insidious practice of illegal air charters.

## NAD

*Mr. Speaker,*

During the fiscal year 2019, NAD reached a major record serving just under four million passengers – some 15 percent ahead of its 2018 performance. For calendar year 2019, it handled a record 4.1 million passengers.

Notwithstanding this significant increase in passengers, NAD was able to retain and improve its overall customer service rating and achieved its highest scores ever for cleanliness. Though LPIA has consistently been ranked among the cleanest airports in the region by *Airports Council International*, this improvement serves as a testament to NAD's continued commitment to excellence. The enhanced cleaning and sanitation protocols will continue in accordance with Ministry of Health guidelines.

For the current fiscal period, passenger numbers were tracking towards another record year, with passengers year to date July 2019 through February 2020 6.4 percent above the same period the previous year. We were rockin'! We were boomin'! Tings was good *Mr. Speaker!*

The ‘double whammy’ of Hurricane Dorian and COVID-19 have proved significant challenges for the Bahamas tourism industry, but NAD managed both crisis situations with great aplomb.

Though passenger numbers declined by nearly 9 percent in September 2019 versus September 2018, they quickly rebounded in October. In the following months, LPIA accommodated over 1,100 humanitarian relief flights, with NAD waiving all landing and parking fees for these efforts.

In addition to fee waivers, NAD—along with airport manager *Vantage Airport Group* in partnership with *LaGuardia Gateway Partners*—created a \$30,000 fund to directly support the families of NAD employees impacted by the storm. NAD also contributed \$10,300 from its *Give Change* terminal collection box initiative to the Bahamas Red Cross.

Then, *Mr. Speaker*, with the onset of COVID-19, the bottom fell out, and much of the progress made was

brought to an unceremonious halt. March 2020's arrival numbers were down 43 percent versus March 2019, and April's numbers were down an unfathomable 99.8 percent over the previous year. Accordingly, NAD has been forced to make significant adjustments, most notably in ongoing capital expenditures. Several capital projects had to be cancelled, including improvements to a number of taxiways and aprons, two additional jet bridges, and leasehold improvements.

*Mr. Speaker,*

Despite these recent shortcomings, NAD was able to undertake numerous capital projects during fiscal year 2019/2020.

In May 2019, the company began a phased demolition of the former domestic and international terminal building. The site will be reserved for potential future terminal expansion and is currently wrapped in a beautiful mural hand-painted by renowned local artist, Antonius Roberts, and his art students at the University of The Bahamas.

In December 2019, NAD completed major rehabilitation works on Runway 09/27 (now Runway 10/28) and

Taxiway India (now Taxiway Papa), partnering with local Bahamian company *BHM Company Limited* to complete the works on time and within the allocated budget of \$20 million. The runway was restored to service on November 29<sup>th</sup>, and the Taxiway on December 19<sup>th</sup>.

To accommodate the robust construction schedule and minimize the impact to daily airport operations, NAD worked with various airport stakeholders—namely the air traffic controllers, security, and airlines—to conduct a comprehensive risk assessment and develop a mitigation strategy to maximize the airport’s capability. This approach allowed LPIA to successfully operate with a single runway during the airport’s busiest travel periods (think summer, Thanksgiving and Christmas), despite Hurricane Dorian. Additionally, the strategy included temporarily upgrading and constructing support roads and working around the clock to place approximately 55,000 tons of hot mix asphalt and 15,000 tons of lime rock.

As a separate but concurrent project, the lighting on the recently overhauled Runway 10-28 was also upgraded. A new Omni Directional Approach Lighting System was



installed to assist pilots when transitioning from instrument to visual flight during landing. Moreover, the runway edge and threshold lights were upgraded to high intensity and LED lighting respectively. A Runway End Safety Area was also constructed on the Runway 10 portion of the runway to reduce the risk of damage to an aircraft undershooting or overrunning the runway. Ultimately, NAD made good on its promise to complete the project within the final quarter of the year and the airport was well positioned in December 2019 to handle the busy holiday period.

In March 2020, NAD also commenced the installation of a fourth baggage carousel in Bahamas Customs. That installation is nearing completion and will alleviate—once passenger numbers recover—the all-too frequent delays in baggage retrieval and provide a more structured passenger queuing and processing system for Bahamas Customs.

*Mr. Speaker,*

As for commercial development, NAD remains committed to enhancing the overall customer experiences *within* its airport operation. In the fall of 2019, LPIA rebranded its

concessions programme and launched a customer-focused campaign—*Your Travel, Our Pleasure*—to share with passengers more information about the products and services available throughout the terminals and thereby encourage more spending.

Additionally, two new duty-free retail stores opened in the U.S. Departures terminal and the Domestic/International Departures terminal to strengthen the airport's overall commercial portfolio. Additionally, 700 Wines opened its new store in the Meet & Greet Lobby, Harley Davidson signed a lease for a new kiosk in the U.S. Departures terminal, and Minnie Mae's began to operate the food concession in the Domestic/International Departures terminal. These additions complement LPIA's already comprehensive offering of shopping opportunities for passengers, emblematic of NAD's renewed focus on enhancing the overall customer experience.

*Mr. Speaker,*

The last few months have proved devastating for The Bahamas' tourism industry. Though the projected numbers for the remainder of 2020 represent a bleak testimonial to the overall vulnerability of the industry, they offer a glimmer of hope and perhaps

foreshadow a complete future rebound. To this end, NAD has projected a slow ramp up of passenger movements, but a year end passenger number of 3,062,000 – representing a 23.4 percent decrease compared to fiscal year 2019.

In addition, *Mr. Speaker*, with the broader re-opening of The Bahamas' international borders scheduled for **July 1<sup>st</sup>**, NAD has outlined a number of key objectives to ensure **ALL** health protocols are adhered to in an effort to keep both employees and passengers safe.

NAD has established its own internal task force to prepare for the full resumption of airport operations in the 'new normal' of a post COVID-19 world. Certainly, social distancing will be a significant consideration, changes will accordingly be made in this regard alongside new requirements like masks, gloves, and other PPE as required. We will continue our work promoting healthy travel for passengers and a

healthy workplace for employees, expanding upon the work already started in early March 2020 at the onset of the crisis.

The group has been focused on ensuring that once the government provides the requisite approvals for flights to resume, NAD and its partners are well-positioned to seamlessly resume its core services. *Mr. Speaker*, I am very grateful for the tireless work of this task force, and am proud to report the following measures which are either completed or nearing completion:

- installation of social distancing markers throughout LPIA's terminals to assist the travelling public with appropriately distancing from other passengers;
- installation of plexiglass barriers at key points of interaction throughout the facility;
- signage and announcements via NAD's airport radio requiring all passengers/workers to wear a face mask when transiting any of LPIA's terminals, as well as advising the use of the many recently installed hand sanitizer stations throughout the airport;
- investment in new cleaning technologies such as electrostatic sprayers and fogging machines to further enhance efficiency and increase cleaning productivity;

- investment in hospital-grade cleaning products; and
- investment in handheld infrared temperature screening equipment for incoming travelers.

*Mr. Speaker,*

Alongside these robust safety measures, NAD has safeguarded PPE for all staff, and is in the process of securing a three-month supply in case of global shortages.

As new information, regulations, and best practices are provided by our local and international partners, NAD will continue to examine its plan and adjust its safety measures as needed. These measures will be imperative to restoring traveler confidence, especially in this country's tourism-driven economy. NAD will continue to avail itself of every opportunity to return to safe and smooth operations in

the post-COVID world. Indeed, *Mr. Speaker*, NAD's number one priority remains the health and safety of the travelling public and its team of over 3,000 airport workers.

## **AIRPORT AUTHORITY**

Mr. Speaker, I now turn to the Airport Authority, which is responsible for the management of the country's 28 Family Island airports and security and fire and crash rescue at LPIA.

Mr. Speaker, being the archipelagic nation that we are, managing and maintaining the country's 28 Family Island airports is horrendously expensive. As you can imagine, 28 Family Island airports require 28 runways to inspect and maintain, 28 terminals to keep up, 28 fire and crash rescue regimes involving at least 15 very expensive fire trucks to staff, replace and maintain, numerous security regimes to staff and maintain, hundreds and hundreds of runway lights to inspect and maintain, bushes to clear, fencing to fix.....and the list goes on and on and on. And every Family Island MP that sits in this House wants a better airport for their constituents.

What makes this portion of my portfolio so vexing is that the needs are great but the funding is.....not great. But, I get it Mr. Speaker! We are, after all, a very small country with a population of just 380,000 so, we can only do what we can afford.

Notwithstanding my previous comments, the Government has embarked on an ambitious family island airport redevelopment program. A new \$2 million desperately needed terminal is currently under construction at the airport in Great Harbour Cay in the Berry Islands. Given the number of foreign visitors that flow through that airport and the increased activity being generated by the redevelopment of nearby Coco Cay, the Government felt that the replacement of the existing terminal building, which is in a deplorable condition, was a priority.

The airport next up for a completely new terminal and substantial works to the airside is the airport in Georgetown, Exuma.

Mr. Speaker, as we speak, an Evaluation Committee is hard at work reviewing the tenders received for the construction of a \$60 million new Airport in Georgetown Exuma. This airport will bring expanded opportunities for Exuma Residents in tourism and related industries as well as other macro and micro environmental benefits to Exuma.



Our strategic partners and the IDB have spent the last few months preparing for the bidding process and within the next 60 days we hope to award a contract that will have multiple beneficial effects for not only Exuma, but also for the relaunch of our Tourism product in The Bahamas. This airport will be able to accommodate direct flights on its expanded 9,000 ft runway from as far away as Europe and multiple opportunities will be available for Exumians entrepreneurs at the Airport.

Mr. Speaker, we see Exuma a central hub for airlines to serve our southern Bahamas and parts of the Caribbean and this diversification away from Nassau allows us to not only develop a new market in Exuma, but also creates an opportunity at LPIA as there will no longer be a need for international passengers to fly to Nassau in order to take another flight to Exuma.

Next up is North Eleuthera where the amount of traffic passing through that airport has simply outgrown its current infrastructure. We are currently in the preliminary stages of planning that airport although we hope to achieve some savings by using a similar design to the airport planned for Georgetown. Given the dire need for some immediate upgrade to that airport, however, a temporary structure will be contemplated while we wait for the permanent upgrades to come.

And Mr. Speaker, we have not forgotten Long Island. This new airport is in the final design phase for a new international airport in Deadman's Cay. This nearly 10,000 sq. ft structure will be the primary point of entry in Long Island and we are expanding the runway to approximately 6,000 feet – this will allow us to receive direct flights from the USA and Long Islanders will see the enormous economic expansion of their economy when this airport is finalized.

And, finally, Mr. Speaker, the Airport Authority has relocated into brand new trailers at the San Andros airport saving itself \$205,000 a year in rent. You will remember, Mr. Speaker, the Member for Englerston, when she was the Minister of Aviation, negotiated the rental of space for the Airport Authority in the Western Air Terminal at \$60 per square foot which I thought was far too high for a small airport in Andros. So, I am delighted to report that the Airport Authority is no longer having to incur that expense and directing those savings into more needed areas. By the way, Mr. Speaker, the cost of the new trailers was just over \$150,000 so they pay for themselves in just 7 short months.

Mr. Speaker, as you can see, the capital requirements for the building of Family Island airports are huge and the resources are limited. Add to that, the obvious need to invest in much needed repairs to the airports in Abaco and now Grand Bahama, all significantly impacted by Hurricane Dorian and one will quickly see the need to seek Public Private Partnerships to assist in the mitigation of these huge outlays is a must. This process is ongoing but there is significant interest in these types of arrangements.

*Mr. Speaker:*

The Airport Authority earns most of its revenue from a security fee that it charges each passenger who flies both domestically and internationally.

During 2019, the Airport Authority secured approval to increase its security fee by \$2 – from \$5 to \$7 for Domestic flights, and from \$7 to \$9 for International flights. These new security fees became effective on March 1, 2020, after the completion of a required six-month stakeholder and public consultation and notification process.

This increase in the security fee was earmarked solely for two specific purposes: (1) the purchase and installation of new baggage and passenger screening equipment at LPIA.....estimated to cost just over \$12 million and (2) the purchase of eleven (11) new fire trucks for LPIA and other Family Island airports....estimated to cost just under \$12 million.

Aerospace logistics specialist, *L3 Systems*, has been contracted to replace the existing, and oftentimes unreliable, Baggage Screening and Passenger Security Systems at LPIA. The complete installation of the new security screening equipment is anticipated for early 2021. Some of this equipment will be the first of its kind in the Caribbean and will continue to set us apart from our competitors in the region.

Within the next few months, Bahamians and visitors will see the difference at LPIA as they approach security screening checkpoints, and will be greeted with full body scanning machines, similar to those in use at some of our favorite airports in the U.S. and indeed throughout the world.

Moreover, behind the scenes, checked baggage will be screened using increased capacity and the latest technology available globally, seamlessly matching the bags to the passenger's actual ticket, and providing a direct view of the contents to U.S. Customs and Border Control without invasive search methods or delaying passenger travel. They will be able to review bags while passengers are being interviewed, and this world-class initiative will not only continue to make the Bahamas a safe destination for our visitors, but will go a very long way in reducing the trafficking of any illegal substances and weapons through our borders.

*Mr. Speaker,*

The Airport Authority also saw the need to modernize its fleet of fire trucks and is seeking to replace 11 fire trucks at LPIA, Marsh Harbor, Exuma, North Eleuthera and San Salvador —at a cost of just under \$12 million. These fire trucks are in desperate need of upgrading and the Airport Authority should begin accepting delivery of these trucks within the next twelve (12) months.

Moreover, in what has served as a persistent source of frustration for this Administration, the Airport Authority's fire station at LPIA was damaged during Hurricane Matthew in 2016 and subsequently deemed uninhabitable. This resulted in the Aircraft Rescue and Firefighting operations relocating to and operating out of trailers for the past four years.

I am delighted to report, however, that The Ministry of Public Works completed contract signing with Inline Construction, on January 30, 2020, for the new fire station at a cost of just over \$2 million. Construction has been delayed by the lockdowns and curfews brought about by the outbreak of the Coronavirus, however, completion is expected within the second quarter of 2021.

*Mr. Speaker,*

The operation of the Airport Authority has hardly proven invulnerable to the destruction that has brought so much despair to our shores over the last nine months.

The destruction of Hurricane Dorian in Abaco significantly impacted the Authority's revenue from its busiest family island airports located in Marsh Harbour and Treasure Cay while at the same time caused the spending of over \$1 million of additional operational cash flow to sustain the operations at these airports immediately after the storm.

Couple that disaster with the current challenge of suspended flights and zero revenue being generated due to COVID-19, the Airport Authority is being forced to seek additional support from the Public Treasury to meet its ongoing financial obligations. The expectation is that COVID-19 will continue to effect passenger traffic for some time to come so focus of limited resources will remain on meeting operational obligations sadly, at the expense of much needed capital requirements.



*Mr. Speaker,*

In order to stimulate short-term revenue growth, FIAD signed an agreement with the International Airline Transport Association (IATA), which serves as the governing body of airlines, for the ongoing collection of its security fees from all commercial airlines and charters starting March 1, 2020. This new partnership is expected to lead to a significant increase in fee collection and help offset many of the unforeseen and previously unbudgeted financial obligations. In the past, FIAD has experienced great difficulty collecting these fees, especially from its domestic carriers. In addition, all fees outstanding for the six months prior to the contract signing have been sent to IATA for assistance with collections. This represents an important step for streamlining the operation of our Family Island airports.

## **BAHAMASAIR**

Mr. Speaker, I now turn my attention to Bahamasair.

Bahamasair, as a State-Owned Enterprise, has perennially been a drain of the country finances.

During the 2019/2020 fiscal year, Bahamasair received a subvention, or government grant, of \$22.4 Million. In this upcoming Budget Cycle, the Government is allocating \$19 million to Bahamasair.

*Mr. Speaker,*

I have made it abundantly clear to the Chairman, Board, and Management of Bahamasair that the Government cannot provide a cent more than that in the upcoming 2020/21 budget cycle! In fact, it is our hope and expectation that Bahamasair can reform itself to require less than the sums allocated.

Though this will certainly prove a mammoth challenge for Bahamasair, efforts are already underway to enhance revenues and reduce costs wherever possible.

At the outset, I wish to state that it is not the intention of the Board nor Management of Bahamasair to fire staff, but rather to see restructuring primarily through attrition.

*Mr. Speaker,*

To say that the 2019/2020 fiscal year was challenging would be a gross understatement. Bahamasair was hardly spared the devastating effects of Hurricane Dorian – its revenues were slashed by more than \$8 million, particularly as Freeport and Abaco are key highly profitable routes for the airline.

*Mr. Speaker,*

We are all keenly aware of the global economic hardship caused by COVID-19, and especially how the airline industry has been brought to an unceremonious standstill.

Since the end of March, Bahamasair has seen its revenue drop to almost zero, with the only income received the result of charters and the government's repatriation flights to bring Bahamians home. The Government organized five such repatriation flights from Ft. Lauderdale, and Bahamasair operated two additional charter flights – one from Cuba to St. Lucia on behalf of the St. Lucian government,

and another from Nassau to Cancun, Mexico, to transport 85 Mexican nationals working at Bimini Bay.

This minute amount was dwarfed by the \$10.5 million fixed costs incurred by Bahamasair from March to June 2020. To put this \$10.5 million in context, Bahamasair's revenues between April 2019 and June 2019 were \$22.6 million.

Nevertheless, in an act of solidarity, goodwill, and understanding, the decision was made to neither layoff nor cut staff salaries. The only reduction to take-home pay for employees were for specific allowances – such as shift premium allowances, grooming allowances, gas, cell phone, transportation, and cash handling, totaling roughly \$159,000 per month.

This time last year, if one can even remember such days of plenty, there was great hope for Bahamasair. The company saw its revenues for the 2019 fiscal year climb to \$92 million and expected to see revenues surpass the \$100 million mark for the first time in 2020.

Then, *Mr. Speaker*, the double whammy of Hurricane Dorian and COVID-19 brought the airline to its knees, forcing the government to take a critical look at every facet of Bahamasair's operations. Notwithstanding its economic

hardships, Bahamasair is strategically examining the ways in which it does business – and every effort is being made to enhance revenue, reduce costs, and put in place accountability and cost control measures.

Allow me to highlight some of these initiatives.

*Mr. Speaker,*

Bahamasair is revolutionizing its logistical processes.

In March 2020, Bahamasair transitioned from the previous Sabre Passenger Service System to the new Hitit Passenger Service System.

The Hitit/Crane System is an internet-based passenger service system which allows for the direct connection of travel agencies via internet portals rather than through Global Distribution Systems, which were historically inflexible at responding to changing market needs. Bahamasair is currently targeting all local travel agencies for direct internet implementation which will provide greater efficiencies in addition to reduced costs.

With an internet-based system, the airline is now able to communicate via texts and emails blasts with all passengers

booking directly with the airline in real time. This will eliminate having to contact passengers individually, improving communication efficiency and further reducing costs. These notifications will be particularly useful when there are schedule disruptions or changes, as passengers can be notified electronically.

Additionally, this new system eliminates so-called “Look to Book” ratio costs. Whereas the old system included a fee for all searching above a 75:1 search to booking ratio, Bahamasair will no longer be charged every time someone searches for flights and they do not actually book. Other features include enhanced bag tracking and new revenue accounting modules.

This transition from the previous passenger service system to the new Hitit/Crane system is expected to save Bahamasair an **estimated \$3million per year**, and will greatly improve the airline’s operations and overall customer

experience. In the 2018/19 fiscal year, the last full year that Bahamasair used the old system, the airline paid Sabre \$5.12 million—with another \$435,000 in ancillary costs—which will no longer be necessary under the new Crane system. For similar activities and processes, Bahamasair will instead incur costs of \$2.5 million, **representing savings over 45 percent.**

*Mr. Speaker,*

Bahamasair is finally embracing the digital age.

The introduction of the Crane system is fully automated and now provides a greater experience for customers using the Bahamasair website. It is simple to use and provides a range of features previously unavailable to the consumer. You can book your tickets, change your itinerary, update your loyalty points, and send any concerns back to the airline without having to interact with an employee.

In the coming months, you will notice Bahamasair's enhanced social media presence, helping the airline share its flight options with the Bahamian people and assisting with marketing and increasing load factors.

Bahamasair is also installing self-service kiosks for passenger check-in. In both the U.S. and domestic terminals at LPIA, you will see a total of 16 units currently being installed. This is but another way Bahamasair continues to move in step with the best practices of the airline industry. Checking in has never been easier – you can use the self-service kiosk or check-in online before you even reach the airport! In these COVID-19 times, you ‘een even gotta talk to anyone, much less stand in no line!

These changes are designed to provide a better Customer experience for Bahamasair’s passengers as it recognizes the increasingly stressful nature of travel in today’s world.

*Mr. Speaker,*

Bahamasair takes care of its employees as well as its customers.



In October 2016, Hurricane Matthew caused widespread damage to the Bahamasair Administration building on Coral Harbour Road. Subsequently, Ministry of Works Engineers advised against repairing the building as the costs of repairs and required upgrades rendered it beyond economic repair.

I am extremely pleased to report that we have now moved Bahamasair to a newly refurbished Administrative building on Blake Road. The facility located at Building 'C' in the Doctor's Hospital West Complex cost the airline over \$800k in renovations. We have been able to turn an unused physiotherapy facility and gymnasium into a 'state of the art' working environment for Bahamasair's employees.

In addition to administrative offices, the new Administration Building will also house the airline's Customer Care Reservations Center and will act as an Emergency Operations Center in the event of hurricanes or aircraft incidents. The amalgamation of these centers into the Administration complex will help streamline vital operations and additionally save the airline over \$260k per annum.

*Mr. Speaker,*

Bahamasair embraces change.

The airline industry has evolved over the years in the way it does business. One of these evolutions is the removal of city ticket offices, or CTOs, and a commensurate shift towards electronic ticket sales.

With the introduction of the new Hitit/Crane Passenger Service System and the ease and efficiency in online ticket purchasing, the airline has effectively reduced its reliance on ticket offices. Since restarting its operations post COVID-19, the airline has closed two of its three CTOs – the Nassau Street location in Oakes Field and a second location in Freeport at the Culmerville Complex. For the immediate future, customers can still use the Palmdale CTO and the Airport Administration Building in Freeport.

The closure of these ticket offices will save the airline an estimated \$186k per annum.

*Mr. Speaker,*

Bahamasair is working to meet the demands of the ‘new normal’ in a post COVID-19 environment.

Indeed, COVID-19 has proved devastating to the global airline industry with most countries closing their borders to international and domestic air traffic.

Bahamasair is no exception. For the past ten weeks, the airline's operations have remained suspended apart from the seven assistance or relief flights.

As both the Bahamas and our regional counterparts slowly reopen their respective borders, Bahamasair is estimating a 15 to 20 percent reduction in travel within its route network. Accordingly, the 2020 summer schedule is now updated to reflect a 22 percent reduction in capacity primarily to international destinations.

In terms of Domestic routes, there will be reduced airlift to those islands which previously features more than one daily flight. For Florida destinations, there will be some rationalization between Ft. Lauderdale and Miami—they are only 40 minutes apart by car, and you know Bahamians gotta rent a car when dey in Sawgrass—as well

as Orlando with regard to the need for accommodating transiting passengers.

However, the airline will closely monitor passenger demand and travel patterns, adjusting as necessary. Make no mistake – Bahamasair is even more committed than before to meeting the needs of its passengers.

*Mr. Speaker,*

Bahamasair is working towards becoming a more efficient organization.

With the introduction of much of the automation that I have outlined, there is a need for a complete review

of Bahamasair's Human Resources, and the way in which persons are utilized within the organization. As a result, Bahamasair is now completing a comprehensive manpower audit and realignment strategy to ensure that all staff members are actively engaged in productive roles. In due course, the results of such an audit will be reviewed with the three unions at Bahamasair, and, as applicable and necessary, relevant staff members will be retrained – in many cases pivoting from manual work to more analytical and electronic tasks.

Bahamasair is indeed moving quickly into the digital age! Over the past three years, through a process of attrition, and a recently concluded early retirement program, the airline has been able to streamline its operations. There are now currently 595 employees at Bahamasair. With eleven (11) planes in its fleet, that amount to 54 employees per plane.

*Mr. Speaker,*

Bahamasair understands that progress is impossible without the right tools for the job.

Allow me to pause here and revert briefly to scripture. Pastor D'Aguilar is in the House! In the book of Ecclesiastes, there is

a famous passage that outlines “To everything, there is a season and a time under the heavens. A time to be born, and...

*Either let other members finish for you: “a time to die...”*

**OR** *if there is silence “yall don’t know that one eh!”*

...a time to die. After over 24 years of service on its three B737-500 series aircraft, Bahamasair has determined that they now cost more to maintain than their actual market value.

Accordingly, Bahamasair will bring in a second B737-700 Next Generation aircraft in September 2020. This will replace the outdated 500-series, for which January 2021 maintenance was scheduled at \$2.3 million, with the need to replace much of the craft’s exterior.

The airline has removed this \$2.3 million from its upcoming fiscal year cost. The lease of the B737-700 at \$1.1 million per year will allow Bahamasair to continue its vital service to the Bahamian people. The new aircraft features 138 seats compared to the 120 seats on the old B737 model, alongside

a better fuel burn, greater flight range, operational economics, and reliability.

This ongoing process of fleet optimization therefore enhances operational savings and improves the airline's revenue streams.

*Mr. Speaker,*

Bahamasair must modernize its pricing models to ensure future profitability and avoid a persistent drain on the public purse.

The Bahamas Government provides over \$400 million each year to State-Owned Enterprises, which has proven to be a significant load to bear year after year. The Ministry of Finance recently commissioned a study led by PricewaterhouseCoopers (PwC) to determine how these enterprises can be less dependent on the Government through better cost control measures and pricing models.

The study found that Bahamasair has not increased domestic airfares in over eight years. *Mr. Speaker,* I challenge these esteemed minds in the House this morning to think of ANY product or service which has not increased in price over this span.

Indeed, whereas this pricing model is beneficial for the consumer, it ultimately becomes the burden and responsibility of the public's treasury.

The study recommends that Bahamasair adjust its domestic fares to better align with the ever-increasing costs of operating a premier airline. Consideration, however, must be given as to the final cost to the Bahamian consumer. An adjustment of \$20 per return ticket, has been recommended to Bahamasair. This would provide an expected increase in revenue of some \$3 million per year.

Now, this means that Nassau to Freeport, round trip, would cost \$180 instead of \$160. Nassau to North Eleuthera, again round trip, \$156 instead of \$136.

*Mr. Speaker,* the PWC review also showed that Bahamasair can improve its revenue streams through a practical pricing model for its ancillary fees. Now when some of y'all hear the word 'fees' y'all is get tense and screw up ya face. Do not do that.

The reality is that this phenomenon is not localized to the Commonwealth of The Bahamas. In 2018, the airline industry brought in an estimated \$92.9 billion through ancillary fees for bags and on-board services.



As we are all aware, Bahamasair hauls bags. Turn on the radio and you'll hear plenty of songs written about dem bags. When compared to other carriers on Bahamasair's **international routes**, there are no justifiable reasons why the airline cannot charge a nominal fee for each bag handled. Airlines for years have relied on this ancillary fee to keep their ticket prices low – JetBlue? Fees. American? Fees. Delta? Boy don't even think about bringing ya bags on Delta!

The realities of COVID-19's financial impact on the Governments implores Bahamasair to adopt these industry standard tools and pricing models to become **independent of the Government's enormous subsidy**. The combination of a \$20 nominal domestic fare increase coupled with a similar \$20 nominal fee for the first bag will keep the airline competitive while improving its revenue stream by some \$7.5m each year.

Mr. Speaker, on April 25, 2016, Bahamasair borrowed \$120 million (mostly in US Dollars) at 8.3% to purchase

the 5 new ATR aircraft, buy some parts, and pay off some old loans. The dream was that these new aircraft would reduce maintenance costs so much so that Bahamasair would be able to generate sufficient additional cash flow to service these loans.

Needless to say, that was another one of those PLP 'be bold, be brave go big' dreams that never materialized and now that these loans have to be paid off over the next seven years.....that amounts to \$17 million per year in principal payments annually and \$9 million per year in interest costs. Cat Island, you was the Minister responsible for Bahamasair when this bad deal was cut. Seven years to pay off \$120 million. Cat Island, weren't Minister responsible for Bahamasair when this deal was struck? Who negotiated this deal? In case you were wondering, it is impossible for Bahamasair to meet that repayment burden. It is excessive and almost guarantees Bahamasair to come to government for a bail out.....year after year.

*Mr. Speaker,*

I can guarantee that these short-term price measures will provide for greater long-term improvement of Bahamasair's operations, which, ultimately is of the greatest benefit to the Bahamian people.

The Board and Management of Bahamasair are well aware of its fiscal constraints and the need to contain costs whilst enhancing revenues. I am satisfied that the objectives with which we have aligned ourselves will yield positive results, and, while challenging, represent a step in right direction of less reliance on the public purse.

This is the nation's flag carrier, a symbol of our continued growth and a testament to our progress as a people. Few nations can say the same. Yet the Bahamian people should not bear the burden of this pride, and so Bahamasair will continue to avail itself of every opportunity to improve its service to Bahamians.

## **Nassau Flight Services**

Mr. Speaker, I now turn to Nassau Flight Services. NFS is responsible for all 'below the wing' services (baggage, ground handling services, fuelling, etc) and 'above the wing' services (check in, passenger movement, VIP services, etc.) requested by scheduled and unscheduled carriers at LPIA, Exuma and San Salvador.

Over the past year, we concluded a Request for Proposal process for Nassau Flight Services, a state-owned entity, that generates revenues of approximately \$7.5 million annually, and employs approximately 250 Bahamians, and is almost entirely dependent on the Government for its cash flow, as its income does not cover all of its expenses.

The Bahamian people subsidize Nassau Flight Services at almost \$3 million annually and the RFP committee advanced a recommendation to the Cabinet of The Bahamas that was not proceeded with at this time; however, the strategy of a form of privatization, that absolutely minimizes job losses, will be explored over the next year.

Mr. Speaker, we have to ensure that State Owned Assets that can be profitable, are profitable, and Nassau Flight Services is no different.

Mr. Speaker, almost 97 cents of every dollar in revenue earned by Nassau Flight Services is committed to People Related Expenses . The opportunity is certainly within our reach to either grow the revenue base or find other ways to make this company more efficient, and of course profitable, and simultaneously reduce the burden on the Bahamian treasury. This company has the potential to be profitable and less dependent on taxpayer support, and if the privatization strategy is not pursued, bold strategic decisions will have to be made in the short term as the potential for profitability exists.

## **Gaming Board**

Mr. Speaker

I turn finally to the Gaming Board.

The Gaming Board for The Bahamas is a regulatory agency with responsibility for enforcing the Gaming Act 2014, Gaming Regulations 2014, Gaming House Operators Regulations 2014, and Gaming Rules 2015. The Board ensures that all lawful gaming activity conducted in this jurisdiction of The Bahamas is of the highest integrity. It seeks to provide the regulatory structure necessary for gaming activity in The Bahamas to operate effectively in a global, evolving and increasingly competitive marketplace and to generate revenue for the support of Government of The Bahamas.

During 2019, the Government introduced a sliding scale for the purposes of taxing net gaming revenues earned by domestic gaming houses. The tax was increased from 11% of all net gaming revenue to 15% of net gaming revenue up to \$24 million and 17.5% of net gaming revenue over \$24 million. That new tax rate took effect on 1 October 2019.

The Gaming Board has also moved aggressively to shut down illegal operations in the jurisdiction. Instead of using the high profile methodology of the past of raiding illegal gaming house operators, the Gaming Board is now using its enforcement powers to instruct the providers of internet communications to cease to provide such services to these illegal operators. When these orders are carried out, it is almost impossible for such illegal operators to exist. The Board intends to use this methodology to enforce the payment of back taxes from delinquent operators and has hired legal counsel to act on the these new enforcement powers.

## **Freetown**

Mr. Speaker, I will end as I started, by speaking to wonderful people of Freetown.

I have been honoured and humbled to represent the great people of Freetown in this House for another year.

Undoubtedly, this year has been a year of uncertainty. And many of my constituents have been impacted by the economic downturn brought about by the coronavirus.

Unemployment has sky rocketed, petty crime is ticking upwards and food security has become a real concern for many Freetown constituents. It has been gut wrenching, Mr. Speaker, to field the calls, hear the pleas for help and know, no matter how much you spent, it would never ever be enough!



I want my constituents to know that I and my Tourism Team have been working especially hard, first and foremost, to get the vitally important Tourism sector re-open and people back to work. I remind persons employed by the Government of The Bahamas everyday how fortunate they are to be employed.....since so many of the private sector, especially those connected with the tourism industry, have not been as lucky as them and are now on reduced pay through the NIB unemployment scheme or the special unemployment benefit sent up by this kind and caring government to help those tourism workers impacted by the coronavirus pandemic.

Mr. Speaker, Freetown constituents want a job. They want a job that allows them to pay their rent or mortgage, put food on their tables for them and their family and ensure that their neighbourhoods are safe and secure for them to move freely about. So, I can say to them today that the jobs will come back, the tourism industry will pick and, as we get on the other side of this horrible pandemic, things will get better. Understand, if you will, that we have never ever experienced something like this! Everyone is unsettled, unsure and uncertain what the future holds. But together and through the Grace of God, things will improve and get better!

Mr. Speaker, as the Member of Parliament for Freetown, I have continued my unwavering support for the Fancy Dancers Junkanoo Group. Mr. Speakers, that is my team! I don't nothing about the Saxons, the Valley and One Family. I know the Fancy Dancers! And, while they do not have the support of the big corporate sponsors nor do they have the Prime Minister rushing with them, they have D'Aguiar on their team. Now, that don't mean I can't use a little help in growing this wonderful Kemp Road community program since Junkanoo groups are expensive but I put myself in God's hands to let the blessings roll in and one day, Mr. Speaker, one day.....we will get to the promised land and secure the crown.

Other programs supported by your Member of Parliament have been:

1. Five underprivileged kids have been sponsored to attend the Swift Athletics Swim Club, two of which have now secured swimming scholarships to institutions of higher learning.

2. Numerous young boys have been able to participate in the Freetown Wringers, our local soccer club.
3. A young boy and a young girl from Freetown have received a fully funded scholarship to attend St. John's.
4. My wife and a number of other volunteers sponsored, by the D'Aguilar Art Foundation, have launched and successfully grown an extremely popular after school art program at the Uriah McPhee Primary School. Once a week, 60 kids from Grades 2 and 6 gather together to let their minds wander and be creative – free from the rigidity of the normal school curriculum. The joy and happiness that emanates from that classroom as the kids experiment with all sorts of medium.....is a sight to behold and does wonders in lifting one's spirit and soul.
5. Of course, our job placement and business education programs continue to assist Freetown constituents to secure employment or launch/expand their own businesses.

Mr. Speaker, I am happy to report that the Freetown Constituency Office has been open every day for the past year from 9am to 4pm, current lockdowns and curfews notwithstanding. The office is ably run by Emily Colebrooke, Shakara Brown and Cristobal Gomez, the defacto Mayor of Freetown, to ensure that the concerns and issues brought forward by the constituents are being addressed as best they can. They have also done a fantastic job doing a most difficult job.....and that is administering our food assistance program. To date, Mr. Speaker, we have provided over \$60,000 in food assistance but I know.....more is needed, so I will do my endeavour best to seek to raise more funds to assist in this most necessary and pressing undertaking.

Mr. Speaker, we have held regular constituency meetings at Uriah McPhee Primary School on Kemp Road where we have invited speakers to update the community on what is happening in their government. I want to particularly thank the Member for Carmichael for his wonderful interaction with the residents of Freetown, updating them on Ministry of Works project underway in the community.

Finally, Mr. Speaker, much anticipated the Kemp Road Community Center Project is now underway as a part of the IDB's Citizen Security Justice Program. A new community center is to be constructed adjacent to the Anne's Town Clinic and will provide a wonderful space for the community to meet, fellowship, work out, enjoy a quiet space, use the internet, do homework and sponsor community events. There has wide consultation with the community and we now anxiously awaiting the breaking of ground and for the construction to commence.

## **Conclusion**

Mr. Speaker:

There is no doubt that this has been a difficult year and that is being reflected in this budget.

But I thank the people for Freetown for allowing me to continue to represent them in this honourable House and I will use that steadfast support to, in turn, support this 2020-21 Budget.

Thank you Mr. Speaker.