



BaTelCo and Tonique – a winning combination



As seen in

**BusinessWeek**

Special Advertising Sections

© Copyright The McGraw-Hill Companies, Inc.

# THE BAHAMAS

Florida's closest neighbor offers up some tempting new leisure concessions, while the utilities sector gets thoroughly modern.

If there ever was a place for island lovers, the Commonwealth of The Bahamas must be it. At the leisurely rate of an island per day, it would take almost two years to visit this country that stretches five hundred miles into the Atlantic from a point only 50 miles off the coast of Florida. Of The Bahamas' seven hundred islands and keys, most of the country's population lives on New Providence – site of the capital city, Nassau – and Grand Bahama, home to the hemisphere's largest free trade zone.

The English-speaking population of 300 thousand enjoy a literacy rate of 95 per cent, one of the highest per capita incomes in the region and a 275 year-old parliamentary democracy that has brought ongoing social and political stability right through the country's independence in 1973. Bahamian Prime Minister Perry Christie, elected in 2002, inherited a robust economy based mainly on tourism and financial services, and is riding the troubled waters of the global market by bettering the country's already superb investment opportunities, especially in the development of hotel and resort facilities.

"We are seeing a very strong investor interest, particularly in the leisure sector," says Julian Francis, governor of the Central Bank of The Bahamas. This investor interest is underpinned by a stable inflation, a Moody's A3 rating for credit worthiness, and the listing of The Bahamas as a credit rating "top performer" in institutional investor publications. Francis emphasizes the bank's historic non-partisan commitment to responsible fiscal policies, and the tightened legislation passed in 2000 that ended with shell companies and what he calls "the fast money floating on the surface." This year is expected to be another growth year for the island economy, with a marked recovery of tourism after last year's hurricanes, and large ongoing investments in leisure resorts on several less-developed Bahamian islands sailing ahead under the auspices of the Hotels Encouragement Act.

The development concessions set down by the act – which include 20-year exemptions on property taxes and duty-free importation of construction equipment for project development – are like a magnet for new resort development. The administration is currently focusing on a dozen pristine locations for eco-tourism development among the spectacular Family Islands, and upgrading vital infrastructure such as roads, water and power supplies, telecom facilities, docks and airports.

Almost four million visitors come to The Bahamas every year, 80 per cent of them from nearby Miami, looking for that colonial-style island experience. In the capital Nassau, the British Colonial Hilton hotel is

a traditional destination, with its private beach resort and spa within walking distance of shopping areas and restaurants. Business and leisure are both treasured in a hotel that brings the two together in a uniquely relaxing fashion like only The Bahamas can offer. Director of sales and marketing, Opal Gibson says: "Our rooms are very elegant. They

*For business or pleasure...*

## BRITISH COLONIAL HILTON NASSAU!

- 7,500 square feet of flexible meeting space
- 291 guest rooms and suites
- Captivating theme parties
- Nearby golf, deep sea fishing and casino
- Downtown Nassau's only private beach
- Business Centre, internet and computer access
- 2 restaurants and 3 bars located on-premises
- Full-service Azure Spa and Beauty Salon

*The Place You'd Rather Be*


**British Colonial Hilton**  
Nassau

[www.hiltoncaribbean.com/nassau](http://www.hiltoncaribbean.com/nassau) • +800 44-45-86-67

Cancun • Curaçao • Jamaica • Margarita • Puerto Rico (Ponce & San Juan)  
St. Lucia • Trinidad • Tobago • Opening in 2005: Barbados & Santo Domingo

Certain restrictions apply. See website for details.  
The Hilton name and logo are trademarks owned by Hilton. ©2004 Hilton Hospitality, Inc.

are distinctive, with their own private beach at the back of the hotel. When our guests pull up to the front, they have no idea that there is a beautiful resort at the back. There is a distinctive uniqueness you cannot get anywhere else on the island.”

**The Islands Go Wireless**

In the midst of the ongoing development of various Bahamian islands, the Minister of Works and Utilities, Bradley Roberts has no lack of projects underway to improve the islands’ infrastructure. Millions of U.S. dollars are earmarked for the upgrading of roads, bridges, power generators and transmission lines. But the ministry’s star program is the amendment of the current water legislation in order to provide quality



potable water to all Bahamian communities, especially on critical islands like New Providence, where water has to be shipped in from the nearby island of Andros.

**Hon. Bradley Roberts** Minister of Works & Utilities

“It would be cheaper to produce the water here than transport it from Andros,” says Roberts, in reference to the projected plant for New Providence to provide five million gallons of water a day.

In the telecoms sector, international call rates have been drastically reduced to make the islands’ main operator more competitive in an ongoing privatization process. Michael J. Symonette, president and CEO of the Bahamas Telecommunications Company (BaTelCo/BTC), explains: “In 1998, we started the process of privatization. In 1999, the company was downsized by 50 per cent and we engaged consultants to assist in the exercise, which extended until 2003. During this time, the market took a downturn and the government, finding the proposals received not to their liking, decided to put the process on hold and wait for an upturn.”

Today, BTC’s main directive is in becoming more customer-focused and market driven, always a challenge for a monopoly company heading towards the free market. Wireless services have become the company’s strongest asset, outstripping wire line revenues by an entire order of magnitude, making BTC a tastier investment target. “If we had put only the wireless division on sale during the first privatization, we would have had more potential investor response,” says Symonette. “Now we believe wireless is going to replace wire lines completely, and the profits generated will continue to grow. So I can see wireless being extremely attractive in the future.”

Privatization issues aside, BTC plays a vital role in the administration’s goal of spreading foreign investment among lesser-developed islands with better growth potential. “What we are planning is to have the entire Bahamas connected with undersea cable so that wherever the investor goes, we can assure a reliable telecoms infrastructure is in place.”



**The Bahamas Colonial – traditional style and luxury in exquisite surroundings**

Undersea cabling and wireless networks not only provide reliable connections and broadband services, but also prove much more resilient to wind damage, a factor of particular relevance for islands located in the warm, hurricane-prone waters of the Gulf Stream. Many isolated Bahamian communities stand to benefit from this bridge over the digital divide.

As Symonette puts it: “Cabling the islands will allow for social development and universal Internet access for distance learning, for example.” This objective falls in line with the Universal Service Offering (USO), an official policy to provide telephone and Internet to communities of ten or more households, which BTC is currently mandated to implement. “The USO is a very uneconomic one,” admits Symonette, “but it has to be done.” Once the market is open, he hopes to see the cost of reaching far-flung communities shared between all service providers in the arena.



**Michael J. Symonette** President & CEO, BTC

**Powering Up For Growth**

Another key entity in the ongoing development of the country is the Bahamas Electricity Corporation (BEC), the public company in charge of providing power to the islands. “Power infrastructure means generation as well as transmission and distribution,” says BEC general manager Kevin Basden, adding: “We constantly survey the market to keep up with current technology.”

Recent updates include the adoption of proactive maintenance programs and the use of more efficient gas turbines to reduce emissions. In addition, BEC has been using the exhaust of two turbines to drive a third, generating an additional 20 MegaWatts of power from the same amount of fuel, which reduces costs.

Staff training is seen as crucial to BEC’s modernization program, with staff attending seminars and courses on a regular basis. Basden says: “We have a supervision control to make sure our service meets customers’ needs.” Environmental awareness is also important, and BEC is keen to keep “sustainable and cost effective.”

While Basden sees no reason to privatize a company like BEC, which manages to keep competitive as a public enterprise, he is firm in noting that the corporation does not consider itself a monopoly but rather a service provider to make other entities more competitive. “At the end of the day, BEC is not only about the production of electricity but also about remaining competitive as a major stakeholder in this country. What we do affects every entity on these islands, every hotel and resort that needs us to compete against the rest of the world,” says Basden.

**The Bahamas Electricity Corporation**

Keeping pace with growth and investment in the Bahamas, BEC continues to expand its state of the art generation plants and distribution networks

Customers throughout the islands of the Bahamas enjoy a safe and reliable supply of electricity

**Bahamas Electricity Corporation**  
P.O. Box N-7509 Nassau, Bahamas  
Tel: +1 (242) 302 1000  
Fax: +1 (242) 323 6852  
www.bahamaselectricity.com

Grand Bahama  
Bimini Islands  
Moore’s Island  
Berry Islands  
Abaco  
National Capital  
BEC Power Stations  
Nassau  
Andros Island  
New Providence  
Eleuthera  
Great Exuma  
Rum Cay  
San Salvador  
Cat Island  
Long Island  
Crooked Island  
Acklins Island  
Mayaguana  
Little Inagua  
Great Inagua

**THE BAHAMAS**

# Making the Global Connection.

In a single century, telecommunications services in The Bahamas have advanced the country from the humble beginnings of islands in paradise to an internationally recognized and world class tourism destination and offshore financial jurisdiction.

Since its inception, The Bahamas Telecommunications Company (BTC) has invested in the infrastructure required to move the nation forward. BTC remains committed to its goal of responding to increased consumer demand for the new telecommunications services by developing the capability of its network and by providing innovative products and services to The Bahamas and its global community.

BAHAMAS TELECOMMUNICATIONS COMPANY LIMITED

John F. Kennedy Drive • P.O.Box N-3048 • Nassau, Bahamas  
Tel: (242) 302.7827 • [www.btcbahamas.com](http://www.btcbahamas.com)

