

St. Vincent and the Grenadines

Another fascinating up-and-coming market in the Caribbean is the country of St. Vincent and the Grenadines (SVG). It is a tropical paradise with a wonderful infrastructure, government-backed incentives, and securities for investors. The country itself is underdeveloped and with an international airport due to be completed by 2011, SVG has little to hold it back from becoming an investor's paradise, writes Dr. Christopher Stange.



St. Vincent and the Grenadines lies in the “sunshine-belt” of the south-eastern Caribbean, forming part of the Windward Islands. This nation – appropriately nicknamed “The Jewels of the Caribbean” – consists of 32 beautiful islands and Cays, like no other in the world. Each island is unique, surrounded by coral reefs, crystal blue waters, lush forests and immaculate black volcanic and white sandy beaches. The landscape, being so gorgeous, varied and unspoilt has been the location for both blockbuster films *The Pirates of the Caribbean I and II*. The warm-up stages of the 2007 ICC Cricket World Cup were also hosted in St. Vincent.

SVG, with a population of 110,000, gained its independence from the United Kingdom in 1979 and shares strong trade and diplomatic links with 96 other countries. The Grenadine islands of Mustique and Canouan offer exclusive developments including the Trump International Golf Course. Various underdeveloped areas can be found on Bequia and many parts of St. Vincent.

Property is currently 20-25 per cent of the price compared to other islands such as Barbados with very attractive commercial investment programmes. There is a total exemption from inheritance tax and property tax is extremely low, valued at only five per cent of the annual rental value. Capital appreciation on property is expected to reach 28 per cent over the next three years.

The advantages of investing in St. Vincent and the Grenadines are:

Excellent Infrastructure: Telecommunications, transport, roads, skilled English-speaking workforce with a fully developed and regulated International Financial Services (IFS) and offshore banking jurisdiction. The sovereign government and region is stable and secure with some of the lowest crime rates in the world and a modern legal, constitutional and administrative structure.

Pro-Business Policies and Concessions: SVG was ranked number one in the world for dealing with licenses (World Bank 2006). This demonstrates the government's progressive attitude towards lessening the expensive entry regulations that exist elsewhere for investors. St. Vincent and the Grenadines provides some of the lowest offshore banking fee structures, including zero taxation, twenty-five years' tax exemption for International Business Companies (IBCs) and significant tax holidays for certain sectors with the ability to freely repatriate funds. Duty and tax-free concessions are in place for the importation of raw materials, depending on the area of investment.

Protection for Investors: SVG has established agreements to protect investors through the Multi-lateral Investment Guarantee Agreement (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID). The local currency is the Eastern Caribbean Dollar (EC\$) which is fixed at 2.7 EC\$ to 1 US\$ remaining unchanged since 1976. With the declining US dollar against the strong Sterling Pound and Euro, added value for investment is created.

Sectors for Investment: Government opportunities range from purchasing property, land development, updating existing buildings and other industries including: Tourism/Eco-tourism, Agro-Business and Processing, Information Communication Technology (ICT), Film, International Financial Services (IFS) and Manufacturing.

To discover the benefits of investing in St. Vincent and the Grenadines please contact the following government agencies:

National Investment Promotions Inc. (NIPI) website: www.svg-nipi.com; the High Commission for St. Vincent and the Grenadines in London on (020) 7565-2874.