



Prime Minister of Barbados, David Thompson.

Business Monday: Restart of Four Season project to generate much needed benefits for Barbados

1/11/2010

REPORTS that the luxury Four Seasons Development will be back on track by the first quarter of this year suggests good news for the development, the Barbados economy, and the unemployed.

The announcement that this will take place was made just over a week ago by Prime Minister David Thompson and Professor Avinash Persaud, an investment banker who is to head a new management board for the project.

Under a plan worked out with new financiers a Bds \$120 million facility is being made available by ANSA McAL Merchant Bank in conjunction with the Finance of Barbados. The plan also includes a repayment of a Bank of Scotland loan, and property acquisition.

The Barbados Government is supporting the initiative. The project came to a temporary halt last February.

"The global financial crisis threw a spanner in the works restricting our financing and we had to temporarily halt construction in February while we looked for new investment" said Mr Mike Pemberton and his development partner, Mr Robin Patterson last year.

It was to have restarted by August 2009 in the wake of revelation that Paradise Beach LLP, the owner and developer of the Four Season Resort, had an agreement in principal with Maybach Corporation, a Canadian based private company with interests in hospitality and residential development as well as media, industrial and municipal services. The proposed terms of the agreement include Maybach taking on an equity ownership of the development as well as providing financing and working capital to re-start the project. The project was expected to restart construction upon the conclusion of the agreement, within 60 - 90 days.

However, coming on the heels of recent development Mr Thompson highlighted some of the benefits to Barbados from the development. He said that the project will underpin Barbados' brand as one of the luxury destinations in the world, boost investor confidence, provide substantial local employment, facilitate skills transfers and generate foreign exchange for the island.

At this juncture Barbados needs every bit of investment it can get its hands on. The resumption of this project fits that bill.

It should give greater buoyancy to construction activity which this year should see some improvements in given major developments on the cards. There has been a slowdown in the construction with the Central bank of Barbados reporting for the nine months to September 2009 double digit fall off.

However, some large projects have been revealed. These are the Port Ferdinand Development project launched late last year, Beachlands which is scheduled to come on stream during Easter, and some Government projects which have actually started.

It would also rule out further the necessity for the fiscal stimulus which many had called on the government to institute but which the administration has ruled out.

It should also be noted that the funds which were announced under the plan are foreign financing which would boost the island's foreign reserves. Furthermore, once construction activity picks up this would add to the stimulation of economic activity and help either in the restoration of economic growth or to halt the economic slowdown.

Professor Persaud said the project would help to shape the future of tourism in Barbados.

Apart from that, wholesale and retail activity should also benefit.

At the time when work was halted, more than 700 persons were employed on the project. Assuming that those numbers, or close to them, find jobs there, this will put a dent on local unemployment estimated at around 10.5 per cent. **(JB)**

Advertisement

Business



Indices as of close 9/15/2009

Local 3404.30 -

Cross-List 1665.14 -

Composite 847.81 -

business

