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SPEAKING NOTES FOR
PRIME MINISTER
MOST HONOURABLE P.J. PATTERSON, ON, PC, QC, MP
AT
GROUNDBREAKING CEREMONY
BAHIA PRINCIPE JAMAICA
(PINERO GROUP)
OCTOBER 7, 2005

Salutations.

It is a great pleasure to be here this afternoon to take part in another event of such significance to the economic future of Jamaicans and the people of this area. I want to start by extending a warm and very special welcome to our friends and partners from Grupo Pinero, on the occasion of the groundbreaking for the Bahia Principe Resort.

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In particular, I welcome Senor Pablo Pinero, head of the Group, and his team to the English-speaking Caribbean, since Jamaica is the first destination in this part of the Caribbean in which the Group will be investing. True to its motto: "Time is what you make of it", in its short ten-year history in resort development, Grupo Pinero has established resorts in Spain, the Dominican Republic and Mexico totaling 5000 rooms. And its brand Bahia Principe has come to be known for exclusive locations in spectacular natural surroundings, as well as for high-quality service, adapted to the requirements of all types of guests - families, weddings, honeymoons, sports people, etc.

With Jamaica's natural assets and our characteristic warm hospitality and rich culture, we can easily see that this is the beginning of a mutually beneficial relationship with the Group. In addition to the obvious boost for our tourism product, the involvement of Grupo Pinero will provide increased exposure for Jamaica through its tour operations and other services in Spain, Portugal and Russia, among other countries. These markets offer tremendous scope for the expansion of our business.

On an occasion like this, I cannot but mention the long historical connection between Jamaica and Spain, which began with the landing of Columbus somewhere along this northern coast not too far away from here in St. Ann. Some say he landed in St. Ann's Bay, which he called Santa Gloria. Senor Pinero, your coming here, 511 years after Columbus' first visit, is not by chance. You are here by way of a warm invitation from the government and people of Jamaica to invest in our country. Happily, the historical connection between our two countries has left us with an important but undiscovered element of our rich cultural heritage, which now provides a platform for the development of world-class attractions and heritage sites. I expect that with the necessary investment, they will add to the richness of our tourism product as we continue to broaden our offerings outside of sun, sea and sand.

Investment in this project and in other resort developments has not happened by accident. They are a direct result of the policies of the government to focus investment activity on targeted areas in which the country enjoys competitive advantage. The tourist industry represents a prime example of such an area. We recognise that it provided a way of:

- ✓ increasing national value added;
- ✓ strengthening linkages within the local economy;
- ✓ using local natural resources, and,
- ✓ creative engagement of the nation's cultural heritage.

The fact that the industry thrives upon environmental friendliness was, the major consideration. Having regard to Jamaica's small and sensitive eco-system, we are adamant that our economy must be developed on the basis of the environmental sustainability of all, and I stress **all**, development activities. Indeed environmental friendliness is a core feature of the competitive advantage of world-class enterprises in the tourist industry. It is a main aspect of the product being offered to clients. Tourists demand a clean environment as an essential part of their vacation experience.

Rather than tourism development being the enemy of the environment, it is true to say that they are symbiotic. Without protection of the environment tourism cannot be viable or sustainable. This same logic is increasingly applicable to more and more industries and economic activities, especially where energy use is intensive and waste is highly costly.

An activist strategy of investment packaging was deployed to mobilise and facilitate investment in this industry, as was the case in information communication technology, mining, and various infrastructure activities, among others. The fact that there was an inadequacy of domestic capital to sustain large-scale investment in, and expansion of, the industry meant that we had to intensify our efforts at attracting foreign capital. This was by deliberate planning, as reflected in the Tourism Master Plan, which identified the gaps in our range of products, the carrying capacity of our major resort centres, and which set targets for the expansion of accommodation and other facilities in these centres.

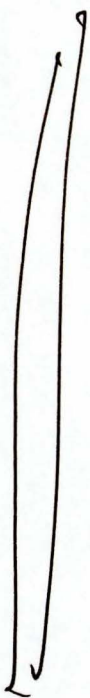
We should understand, however, that the targeting of investment in tourism is predicated on private investors deploying their capital to develop resorts that meet the demands of the marketplace. At the same time, they must satisfy the strict rules laid down by our planning and environmental authorities. These rules cannot be applied capriciously, nor can they discriminate against either local or foreign investors. In today's globalised economic environment this is not allowed. Jamaica cannot expect to remain competitive by closing its borders. The challenge is to continue to build international competitiveness by pursuing policies that make our country attractive for investment, both local and foreign, and to develop our infrastructure and human resources as key elements of those efforts.

This project is being built on lands formerly owned by the Tankweld Group. They are zoned for resort development, and planning permission had been received for construction of a hotel and villas here. The plans of Grupo Pinero envisage that ultimately, its Bahia Principe Resort to be located here will consist of 1,918 rooms at a cost of (US\$200 million). The first phase, for which construction will begin shortly, will involve 734 rooms and include conference facilities with a 900-seat capacity.

I have been advised that in pursuing this project the developers submitted the planning and environmental applications in the normal way and were subject to the procedures laid down. The approvals that have been granted set out the conditions to be met both in respect of planning and the environment, and these include the requirements of all the relevant bodies, both at the local and national levels.

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Specifically, the beach licence sets out conditions under which the developer will regulate access of the public to the beach. This is done to maintain orderly operations. It is also the intention of the developer to provide public access to nightly entertainment activities marking the first such initiative by an all-inclusive property in Jamaica.



Note should be taken that under the guidance of the National Environment Protection Agency (NEPA) the developer during the planning process, adjusted the original footprint of the resort, so that it will fully conform with the conditions for protection of the wetlands area to the north of the highway. Further, Grupo Pinero will be seeking to rehabilitate areas of the wetlands in the conservation area that were damaged prior to its acquisition of the property. Discussions have also been held with the UWI Marine Laboratory about collaboration that would enhance its research work.

Tourism development in Jamaica, as elsewhere, has always stimulated improvements in infrastructure which benefit the entire population. My Administration has implemented far-reaching programmes to modernise and expand the entire range of infrastructural services to facilitate the growth of our economy. The results are to be seen in the advances in the provision of water supply, upgrading of roadways, and almost full coverage of electricity supply, especially in rural Jamaica. Housing developments have also been undertaken, and the airports are undergoing upgrading and expansion. We recognise that investment in these areas is critical to support expansion in the productive sectors such as tourism. Without them, a project like the Bahia Principe Resort would be less attractive to investors, and may not have materialised.

We realize that much more needs to be done. A greater effort has to be made to integrate investment in the productive sectors with the provision of infrastructure and social services. Indeed, a team led by the Minister of Development, and including the Planning Institute of Jamaica, has been mandated to ensure the necessary coordination. This work covers the major northern coastal region, where there are concerns about housing settlements, and so on. An important component of the work is to ensure that we build the capacity within HEART/NTA and other training institutions that can prepare our workforce to grasp the opportunities that expansion of the tourist industry will provide.

Residents of our resort centres and tourism operators can also look forward to significant improvement in their physical surroundings and landscape, as we begin to use the proceeds of the recently introduced Tourism Enhancement Fund to carry out programmes of beautification and so on. Resources from the Fund will also be used to develop our cultural heritage sites and other attractions for our visitors and locals alike. This is a critical component of the Tourism Master Plan, which emphasizes the need for creating experiences outside of our hotels and away from the sea and sand.

Without it, the impact of tourism expenditure on the local population is limited, and the visitors are deprived of opportunities to experience the authentic Jamaican way of life, which is one of our major attractions.

I enthusiastically welcome this investment. I confidently expect that the relationship between the developer and the adjoining communities will be harmonious. Every effort is being made to assist those persons with the requisite skills in these communities to have a share in the job opportunities that will arise, both in the construction and operation phases. The recruitment process is being approached in a systematic way, with HEART playing a role in the assessment of skills and in certification. The investment will also open opportunities for the business community in this area, particularly for the farmers in the garden parish of St. Ann.

JAMPRO has sought to sensitise the Jamaican business community at all levels to the linkages of investment like this to their activities, but it requires persistence if the best results are to be achieved all around.

In 2007, we will host a package of the Cricket World Cup competition and we expect many thousands of visitors to our shores for this historic event. We therefore need to have our resorts up to world standards, and sufficient rooms of a high quality for good value. I therefore anxiously look forward to the completion of this project in good time, demonstrating the capacity of the Jamaican workforce to perform at high levels of efficiency. Beyond the cricket event, the future vibrancy of our tourist industry demands resorts of varying sizes and characteristics that can meet ever-increasing competition.

As this exciting project progresses, I look forward to working with Grupo Pinero to becoming active partners with us as we promote Jamaica's tourism in all its facets. From their track record, I know that they are willing and able to help shape and contribute to the initiatives of the industry, particularly in Europe, as we seek to diversify our markets.

To the people of this area I say: the real strength of any community is in the hearts and minds of those who live there. You can make an important contribution to the successful completion of this project by giving it your wholehearted support. This area has a well-deserved reputation as being ideal for tourism development not only because of its spectacular natural beauty but also for the hospitality of its people. A large number of your citizens already make their living from the industry. Here is yet another opportunity – make sure you take full advantage of the significant business potential it offers. In the long run not only you who live here but also the entire nation will enjoy the benefits.

I look forward to the timely and successful completion of this project and its contribution to our nation's development and the improvement of the quality of life of our people.



BAHIA PRINCIPE
CLUBS & RESORTS

Thank you for coming
to the
Ground Breaking
Ceremony of
Bahia Principe Jamaica





Ground Breaking Ceremony of
Bahia Principe Jamaica
held on the 7th October at 4 p.m.
at Pear Tree Bottom,
Runaway Bay, St Ann.

Agenda

Master of Ceremonies-Patricia Francis,
President JAMPRO

1. Prayer
2. Opening Remarks-Minister of Industry
& Tourism-Hon. Aloun Ndombet Assamba
3. Remarks
Minister of Development
Hon. Paul Robertson
4. Introduction of the Developer
Project Manager Bahia Principe Jamaica
Mr Jesus Castellanos
5. Remarks from Developer
Executive President Grupo Pinero
Mr. Pablo Pinero.
6. Remarks of His Excellency Ambassador Jesus
Silva Fernandez- Spanish Ambassador.
7. Prime Minister's Remarks.
Rt. Hon. P.J. Patterson
Prime Minister of Jamaica
8. Introduction to the Development Team
Project Manager Bahia Principe Jamaica
Mr Jesus Castellanos
9. Vote of Thanks- Mr Adrian Bayley-Hay
Palma Jamaica
10. National Anthem
11. Ground Breaking
12. Cocktails

