

Investing in Grenada

Having a stable Government has meant that the economy of Grenada has remained steady. This has laid the foundations for investor confidence today.

The political upheavals of the late 1970's and early 80's, leading to a dramatic and widely publicised intervention by the US and other Caribbean States in 1983 have long since been put to rest. Today, the economy is dependent mainly on revenue from tourism, light manufacturing, services and agriculture. The modern world has gradually moved the working population towards a service oriented economy. This does not just include the obvious tourist products such as hotels and restaurants but also transportation, communication and information technology. Great emphasis has been placed on education. With a very high literacy rate, the working population is highly educated and has had access to quality education at all levels including The American University which has a significant campus of some 4000 students from over 30 countries, with faculties of both Medicine and Veterinary Science which have been established for more than twenty years. In recent years, information technology has played an important part in the curriculum and as a result computer literacy rates are high, particularly amongst the younger generation. Grenada can boast modern, state of the art telecommunications with excellent internet services, domestic telecom products and business systems. The communications industry is considered to be an exciting growth area for new business.

Living standards are good around the island. The cost of housing is still relatively low but prices vary sharply between rural and urban areas. Generally, rural areas have character dwellings, evocative of the West Indies.

For the tourist and non Grenadian, costs appear relatively low. Land costs have remained some years behind the rest of the world although this is set to change with the current influx of investors and local growth. Fuel for transportation is much lower than the US or Europe and the cost of living is generally much cheaper, particularly when compared to other Caribbean Islands such as The Bahamas, Barbados, St Lucia and Antigua which have seen rapid development for over 20 years.

With increasingly varied transport links, Grenada will quickly become a major international destination. The excellent state of the art airport at Point Salines is well equipped to accommodate all long-haul aircraft including those of British Airways and Virgin Airways. There are also daily scheduled cargo services by leading carriers as well as a modern sea-port with excellent facilities.

There are numerous investment opportunities in Grenada both residentially and commercially. The marine and yachting sector especially has huge potential with Grenada sitting beyond the seasonal hurricane belt, unlike most of her neighbours, thus providing a safe haven for commercial and pleasure craft (Port Louis).

Tourism is the more obvious opportunity, having seen little development in recent years and now providing a huge opening for eco-tourism. With this, there are numerous links for up-market and mid-market hotel schemes, health tourism in the form of spas, yachting and marina development, scuba diving, tennis, golf and activity holidays.

The Four Seasons development on Hog Island as well as Peter de Savary's ventures are excellent examples of recent arrivals and all carry full Governmental endorsement and support. Peter de Savary in particular, is working on several joint ventures within Port Louis and Mount Cinnamon to create a mix of investment and commercial opportunities. The maritime village will be a tax free shopping area offering a range of high-quality established international and local retailers.

With this new investment, international financial services including offshore banking, trust funds and international insurance companies are now arriving to support these schemes in addition to the existing local suppliers.

As a business investor it is necessary to submit a proposal to the Grenada Industrial Development Corporation. It is relatively easy to establish a new business once the appropriate legal procedures have been taken. The time frame compared to most countries is short and rarely takes more than 2 weeks. There is minimal entry requirement and foreign investors are given equal treatment to domestic investors.

There are several incentive packages which the Government of Grenada has created to encourage the establishment and development of new business. Tourism in particular has been strongly incentivised with full exemption from taxes on corporate profits for up to 10 years. Additionally, customs duties and taxes on all supplies needed to equip hotel property, commercial vehicles and also on upgrades are exempt. Manufacturing and other industries also share similar concessions.

With Grenada's commitment to the preservation of the Islands, land development is relatively strict. Building permits are required and plans ensure tight controls to prevent over-development of space, taking into account existing schemes as well as the fauna and flora of the location.

Non-nationals are welcomed for real-estate ownership, requiring an "Alien Landholding License" which is quickly and easily obtained and provides protection for all concerned.

All in all, Grenada offers an exciting investment opportunity in what is definitely a developing market. For residential investment the Island cannot be beaten considering the excellent services and facilities available. With constantly improving transport links, Grenada is perhaps a more beautiful unspoilt Barbados of 20 years ago and certainly offers better value for investment.

The Grenada Industrial Development Corporation (GIDC) provides a "one-stop-shop" service for all investors. The Corporation provides business and investment advice, processing for fiscal investments, assistance with required approvals, certificates, work permits and land for projects realisation.

Detailed information on doing business and investing in Grenada can be obtained from the GIDC website at www.grenadaworld.com