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SUPPORT. PROMOTE. PROTECT.

The Cayman Islands Chamber of Commerce was established in 1965 and is a non-profit organisation that exists to Support, Promote and Protect Cayman business and the wider community. We proudly represent nearly 700 businesses and associations from every major industry sector.

Opening address by President Barry Bodden at the Chamber of Commerce Legislative Luncheon on 30th September 2015 at the Ritz Carlton Grand Cayman



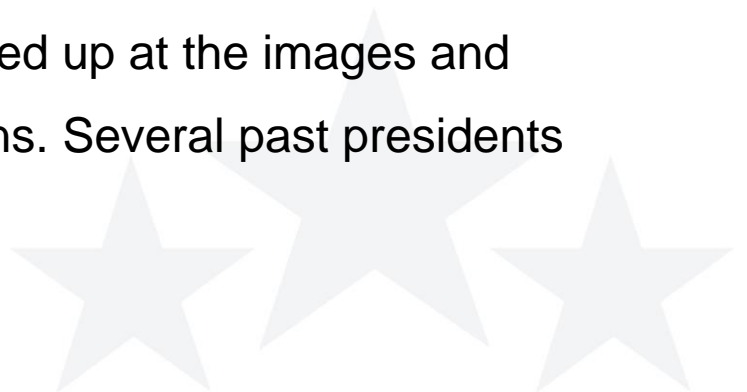
Good afternoon.

A warm welcome to Her Excellency the Governor, the Premier and other elected Ministers, Members of the Legislative Assembly, senior public officials, members of the Chamber of Commerce, invited guests; thank you for joining us for lunch today.

This annual luncheon is an important date on the Chamber membership calendar and allows us to discuss areas of priority and concern that we believe are important to the Islands continued success. Each year we also look forward to receiving an update from the elected Government on policy initiatives that are being introduced or considered.

Thank you all for attending.

During lunch I hope you glanced up at the images and messages on the video screens. Several past presidents

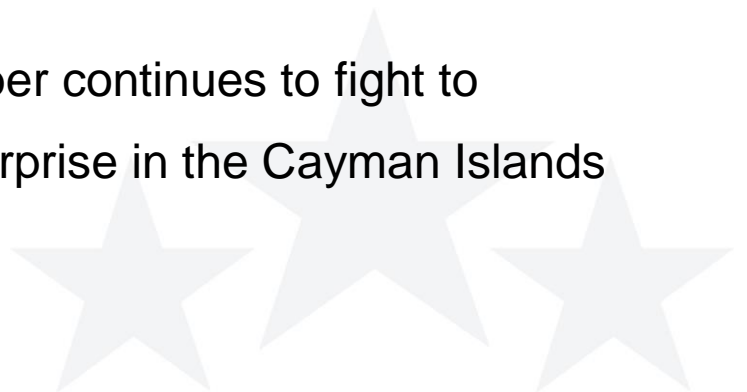


shared their views about the role that the organisation has played in our community over the past 50 years.

I would like to thank each of them for contributing to the presentation and at this time, I invite the Past Presidents who are with us to please stand to be recognised. Your hard work and vision has helped to keep the Chamber movement strong and has built a firm foundation for continued success.

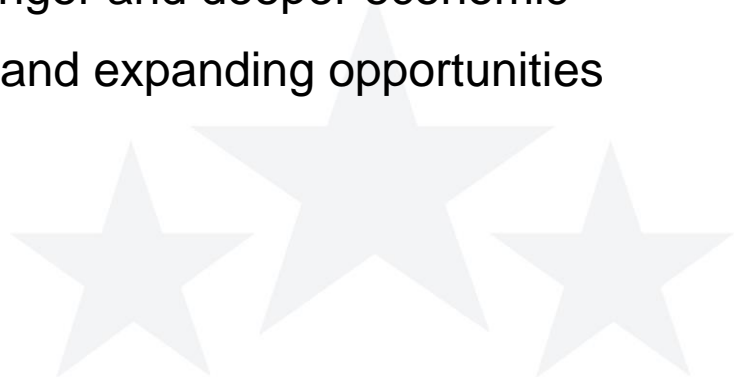
Your commitment along with many others who are no longer with us will be formally acknowledged during a special event to mark our 50th anniversary early in 2016.

As an organisation the Chamber continues to fight to preserve the spirit of free enterprise in the Cayman Islands



which begins with the right to risk, to fail, to try again, to succeed and to be rewarded for your efforts. Contrary to what some people in our community may say or believe, businesses really do create jobs. Whether they reside on Fort Street or Market Street, businesses are not the enemy. They are a big part of the solution to the challenges we face as an Overseas Territory and a people.

Of course, business does not do it alone. The business community needs the government to protect our security and maintain the economic platform of our Islands. But what business needs from government is wise, competent, and courageous leadership that knows when to get involved and when not to interfere- a government that is judicious and responsible in the exercise of its extraordinary powers to impose fees, spend and regulate. Elected leaders who will rally around a common bipartisan cause – and that cause is stronger and deeper economic growth aimed at creating jobs and expanding opportunities for the Caymanian people.

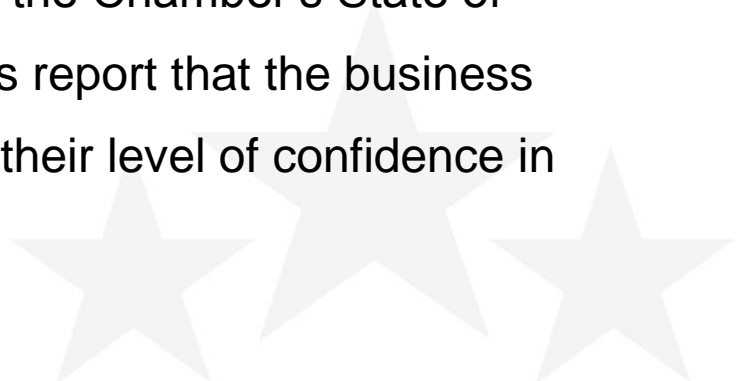


There are advocates in our community that support the unbridled growth of the civil service and a government-run economy. They oppose or devise roadblocks to slow down the Government reform initiatives and would rather receive a hand-out than a hand-up. It is that belief that will lead us to economic stagnation.

We must press ahead with Government reform and consider the options presented in the Ernst and Young report issued one year ago. We know reform is never easy, but the business community is eager for progress.

Cayman's economy is changing due to external regulatory pressures and we must be in a position to adapt to that change.

Based on the recent results of the Chamber's State of Business survey, our members report that the business environment is improving and their level of confidence in



the economy has returned. Major infrastructure and commercial development projects are either on the planning table or soon to be underway. Overall, the mood in the private sector and among investors is positive which should drive economic growth in the near to medium term.

Members, however, remain concerned about the increasing cost of doing business, high work permit fees, limited access to skilled local labour, increasing bureaucracy and regulation and unfair competition from businesses that are operating illegally.

The challenge that we now face is whether we are creating an environment to support a growth agenda or are we placing new hurdles in the way of businesses seeking to expand their presence and operations in the Cayman Islands? Are we drafting legislation or policies to appease the concerns of a small minority or are we addressing



wider issues that actually require fixing to grow our economy?

The Labour Relations bill is a perfect example. What started out as a tidying up of the existing law, has turned into a comprehensive rewrite that poses a material risk to the Cayman Islands economy due to its excessive additional burden on businesses. The business sector, as the primary contributor to employment and government revenues, is the driver of the economy. Policies aimed at influencing the behaviour of businesses must also take into account the risk to economic activity such as the hiring and retaining of employees.

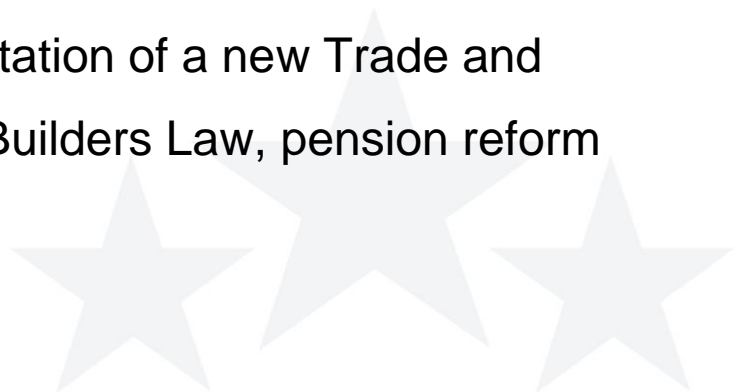
We are concerned with the potential economic fallout from the changes proposed in the consultation draft and we cannot support it in its current form. In our August submission, we listed 16 major points that we recommend



the Minister to consider. Several industry associations have submitted similar observations.

As the most representative business organisation, who employ the largest block of Caymanian voters, the Chamber expects to meet with the Minister to review, discuss and agree on the proposed changes to the draft. We support the Minister's goal to develop a revised Labour Relations Bill that will position the Cayman Islands as a business friendly jurisdiction that is regarded as a leader among our competitors in the area of fair and balanced labour relations.

The Labour Relations Bill is only one of several pieces of legislation that will be implemented or are being considered in 2016. It is going to be a year of change and compliance for the business community with the introduction of a minimum wage, the implementation of a new Trade and Business Licensing Law, the Builders Law, pension reform



and several proposed legislative changes affecting the Islands' main revenue earner, the Financial Services sector. Some of these legislative changes are intended to improve the business environment but will increase compliance costs at a time when the economy is experiencing growth.

We therefore call on Government to refrain from introducing any significant legislation, policies or new fees that could further increase the cost of doing business. We call upon Government to focus on policies and legislation that will stimulate investment and create new jobs.

Developing local talent is one of the key drivers for Cayman's continued success. The harsh reality, however, is that Caymanians must now compete on the global stage and we need our students prepared to meet these challenges.



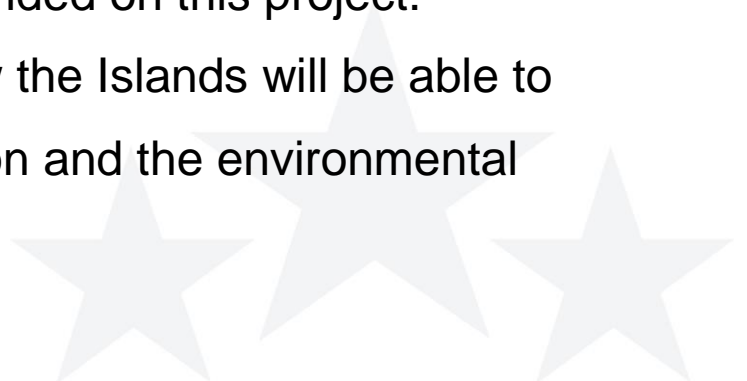
We support Minister Rivers' call to ramp up efforts to reform public schools – to toughen the standards and measure them against prior years so that we know when students are falling behind. We also need to attract the best possible teachers and compensate them accordingly, create innovative charter schools and ensure that parental choice is an option for all and not just for the wealthy in our community.

It is fundamentally unfair that some Caymanian children get high-quality educations while others are left far, far behind. The completion of the John Gray High School project must become a priority. This facility is designed to accommodate 1,200 students and will provide much needed infrastructure relief for the largest population of students in the Cayman Islands. Every day that it remains unaddressed will cost us all more to repair and to complete.



The Chamber supports efforts to diversify and grow the economy. The addition of Health City, the Special Economic Zone, the construction of the Kimpton Hotel, the recently announced St. James Point development in Bodden Town, redevelopment of the former Hyatt Hotel property, tax breaks for small to medium sized businesses, duty reductions on diesel fuel and finalising the For Cayman Investment Alliance are initiatives that stimulate economic activity and will improve living standards and will create new jobs and opportunities for small businesses.

Several large scale infrastructure projects in George Town are now being considered that will forever change the landscape of our historic capital. The cruise berthing proposal which includes a significant extension to the cargo handling facility, if approved, will transform both the physical and natural environment along the waterfront. Chamber members remain divided on this project. Members are questioning how the Islands will be able to afford to pay for its construction and the environmental



mitigation. The Chamber believes it would be financially unwise for the Government to proceed with the project if the business case is unable to confirm that the Islands can afford it and can cap the building costs.

Business costs and the cost of living are already high and Cayman's indirect tax system is stretched. We must not place ourselves in a position where we have to further increase business fees and duties to pay for this or any large scale project.

In May, Minister Tibbetts provided an update on the George Town Revitalisation plans at a Chamber luncheon. Several of our members left the meeting with mixed emotions. Some were excited that the initiative was finally getting underway and were eager to assist. Others were unclear about the process that will be used to develop a final plan.



Based on this feedback, the Chamber Council wrote to the Minister recommending a Charrette process which would harness the talents and energies of all interested parties to create and to support a master plan. We remain committed to working with the Ministry's team to develop this plan and look forward to receiving a response to this recommendation.

Developing a long term plan to address the George Town Landfill, solid waste management and recycling must become part of George Town's revitalization and moved to the top of the agenda. Consultants in August clearly stated that the landfill has a detrimental visual impact from various viewpoints. They recommended capping it to reduce the noxious odours and dangerous gases. We recommend pressing ahead with the recommendations for environmental improvements and monitoring at the landfill site as a matter of national priority.



We must also speak frankly and honestly about the future of the landfill as a key part of the George Town revitalization planning discussions.

In conclusion, the Cayman economy is positioned for further growth and this will bring with it some challenges. The time has come to develop a national plan that addresses the key aspects of our society from our schools, our roads, solid waste management and the development of Cayman Brac and Little Cayman. Ministers and Ministries must be forward looking and willing to take the necessary steps to advance the interests of the Islands even when those steps may not be immediately politically expedient.

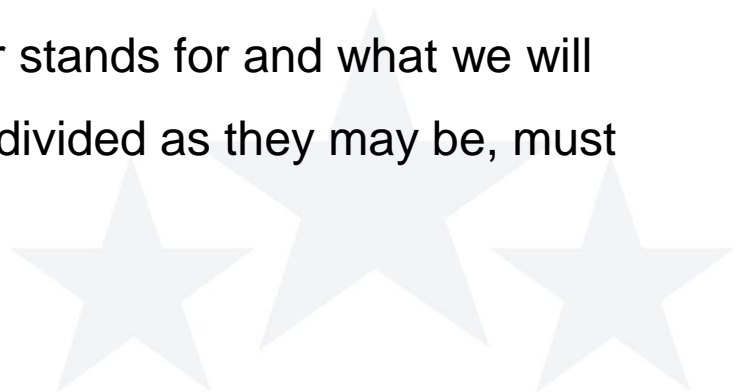
Intelligent and decisive action is needed and the Chamber will support the Government when it takes action that is in the best interest of the Islands.



Of course action alone without an overall plan is a recipe for disaster and the Chamber of Commerce is prepared to stand shoulder to shoulder with our elected Government and public officials to develop a national plan that produces a vision for our future that is based on the free enterprise principles that our Islands were founded upon.

While the Chamber offers its assistance to Government it is also important to note that the Chamber will continue to monitor the actions of Government and will ensure that its members and their employees are well placed to make informed decisions about Cayman's leadership based on those actions or lack thereof. The Chamber will not remain silent or allow any one person or party a passing grade if they fail to perform.

Ladies and gentlemen, hopefully I've helped you understand what the Chamber stands for and what we will fight for. Our elected officials, divided as they may be, must



work together to put jobs, growth and opportunity first. Let's put aside political and business differences and work together to achieve that result.

Thank you for your attention.

