



**Statement by
The Premier and Minister for Finance, Tourism and Development
The Hon. W. McKeeva Bush, MLA, OBE, JP
In the Legislative Assembly
7 November 2012**

Thank you Madam Speaker.

The people of the Cayman Islands are well aware of the dire need for improved cruise facilities. You will have heard me say many times that the industry demands better facilities, and that without such improvements we will continue to lose business and fall further behind our competition. Over the last three years we have worked long and hard to bring a world class facility to Cayman. These facilities would have stemmed the tide of massive loss of business in the cruise sector. In fact, we are down 12.3% in 2011. This project would have helped people keep their businesses running, find jobs, and pay their mortgages.

Madam Speaker, no reasonable person could say that our process has not been fair, open, and carefully scrutinized. It has been as robust as the standard form of tendering and would have produced good value for money. However, we are told by the UK that it is the specific type of process that matters, not the outcome; and it is not acceptable to use any

other process, even one that can be shown to be as good as the one they prescribe.

Accordingly, in spite of the sustained efforts this government has made to bring improved port facilities to reality we have been stymied unless we follow their prescribed approach to the letter. I must therefore regretfully say that the government is left with no choice but to abandon the present contract negotiations, which were on the verge of being completed.

As Premier and Minister for Finance, Tourism and Development, I have given my utmost endeavours to delivering the many benefits of this project to the people of the Cayman Islands. I thank those in the government, and in the private sector, who have made such great efforts towards this goal.

I want to publicly extend an apology to China Harbour Engineering Company. They have worked very hard with us and showed their ability to deliver what they promised including no loan, no government guarantee; payoff of a \$10 million debt owed by the Port Authority; no demands for ownership; agreeing to have three large Caymanian construction companies work with them; and a minimum of 10 academic scholarships for young Caymanians among other things. I trust that having to abandon these negotiations will not harm future relations with Chinese companies.

FFR Law

The UK calls for us to implement the FFR into Law without debate or amendment. As I have said publicly, I agree with the UK on much of the FFR because of the large loans and debt left by the PPM. The Opposition has joined in the hue and cry for implementation without amendment.

They should both be concerned for the position of the Cayman Islands Government, should we suffer financial or reputational loss as a result of following budget management advice handed down by the UK.

The FFR Bill will therefore be taken to the Assembly as prescribed and God help us all if it proves to have the negative consequences that some experts have warned are likely.

Madam Speaker, I make these announcements with a heavy heart. I have fought against these positions, but I am now forced to do so, through the dictate of the UK Government, which is supported by the Opposition. While I am prepared to bear the political pressures that would result in continuing to resist these demands, I am NOT prepared to expose my family to the political turmoil being brought into play at the present time.

I can only pray that the worst will be averted, and that we will find a way forward that shields our population from too painful a decline in our living conditions. The government will continue do its utmost to bring forward the swiftest possible advances towards an improved economy, and trust our industry partners will appreciate that while our hand is now being forced, we will do everything within our power to perform our obligations, and to work for mutually beneficial outcomes now and in the future.