



Blue Waters Beach



Rock Cottage at Blue Waters

# Antigua & Barbuda

Islands in the sun  
adapt for the IT age.  
THE ISLANDS OF ANTIGUA &  
BARBUDA ARE STRATEGICALLY  
LOCATED IN THE LEEWARD  
ISLANDS LITERALLY IN THE HEART  
OF THE CARIBBEAN, SOME 1,200  
MILES SOUTHEAST OF FLORIDA.

Best known for their many fine sandy beaches and healthy & comfortable climate, the twin island nation of 68,000 people is lead by a progressive and democratic government intent on diversifying the economy away from dependence on tourism through offshore gaming, call centers, financial services and fisheries. Barbuda, the smaller of the two islands, lies 25 miles north of Antigua and is an unspoiled natural haven for wild deer and exotic birds.

Until the 1960s, the economy was dependent on sugar production but under Prime Minister Lester B. Bird, Antigua has withdrawn from the sugar industry. In the fisheries sector, Japan has carried out two projects with Antigua, valued at \$46 million, to bring the quality of the fish industry in up to the level of the European Union but the government is staking its future principally on service industries suited to e-commerce and the IT age, maximizing on the highly literate and educated English speaking population.

“Our schools are producing children each year who are fully computer literate and who have taken to the new digital world like ducks to water,” Bird says. “The result of all this is that in the area of international financial services and Web-related activity such as Internet gaming, Antigua provides a well-regulated low cost, and highly competitive center for services to the world.” Bird is particularly proud

of Antigua’s capacity to offer low cost high performance call centers “in an environment of little or no taxation” to international companies. Experts forecast that the call centers will soon become a significant employer of local labor.

All this is against a background of a country where there are high standards of social welfare services, including a “cradle to the grave” health care systems, and the second highest per capita income out of any of the major English-speaking Caribbean islands.

To encourage the growth of IT-related enterprise, the government earlier this year opened the Antigua & Barbuda International Institute of Technology (ABIIT) to offer advanced training in computer skills. ABIIT currently offers a mix of professional qualifications in addition to associate degrees, and is seeking affiliation to a North American university. “Because of the buoyancy, vibrancy and creativity of the Antiguan government, we have a large influx of our Caribbean colleagues coming here to work,” says Bird.

Tourism accounts for 67% of Antigua & Barbuda’s gross domestic product and is the largest source of employment and foreign exchange. Bird credits the relatively high standard of living enjoyed by natives of Antigua & Barbuda to the tourist industry, which he describes as “the largest engine of growth.” The government is spending \$57 million in creating new port facilities for Antigua, including two new piers for Eagle-class ships with 3000-4000 passengers each, to encourage more visits by cruise liners. It is developing an infrastructure to handle a larger influx of visitors, including shopping malls and public markets. In April the world’s largest cruise ship, *the Adventure of the Seas* operated by Royal Caribbean International out of Miami, docked in Antigua for the first time and is now making weekly visits.



■ Prime Minister  
Lester B. Bird

In the capital St John’s, *Blue Waters* hotel, nestling in the historic Soldier’s Bay and now totally renovated, offers tourists a choice of accommodation in luxury rooms, suites and villas, each with a view of

the Caribbean Sea and with all the amenities of a top-class resort. With its swaying palms and cascading bougainvillea, flowering shrubs and smiling staff, *Blue Waters* typifies the apogee of the Antiguan tourist industry, offering visitors as much or as little as they want from a vacation – health and beauty spa, tennis and gymnasium, waters sports or relaxation by the pool.

The government has agreements with a number of major airlines including US Air, British Airways, Continental and Virgin Atlantic but it also recognizes that tourism is a “volatile and mercurial type of industry”, to quote the prime minister’s words. Bird says that British Airways and US Air plan to use Antigua as one of their major hubs in the Caribbean, with approximately 10 flights a week this summer. Air Jamaica provided a major boost for the economy by resuming direct flights from Antigua to New York from June 10 – a process that was encouraged by Minister of Public Utilities Housing & Transportation, Robin Yearwood, who was also instrumental in backing British Airways’ plans for more services to the islands.

The modern and secure V.C. Bird International Airport in Antigua can handle any airplane including the Anglo-French Concorde and is undergoing a \$27 million expansion. Consistent with Antigua & Barbuda’s image as an upscale tourist destination, the government is encouraging luxury hotel development. Two five-star boutique properties are slated to open that will boost room inventory to 3,500 by the end of 2002. In addition, Ritz-Carlton has announced plans for an offshore private-island resort, scheduled to open in 2004.

## ANTIGUA SAILING WEEK A SUCCESS FOR OVER 35 YEARS.

Each April, the Antigua Sailing Week attracts yachting enthusiasts from all over the world to take part in the Caribbean’s biggest and best known regatta. “I don’t think there is any place in the world like the English Harbor, the only Georgian dockyard in the world,” says Bird, referring to Admiral Nelson’s former naval base. The Antigua Carnival is another crowd puller, and as the Caribbean’s leading summer festival, will benefit from the boom cruise industry in terms of spectators.

The West Indies Oil Company (WIOC), founded in 1967, is supporting the work of the Antiguan & Barbuda Cruise Tourism Association to make Antigua a “full service” port of call for the largest cruise ships afloat. “We will be able to supply bunkers at competitive prices and off-take waste oil while the ships are alongside St John’s Harbor,” says WIOC general manager W. Royce Stroud. “Bunkers will be of superior quality since they will be produced directly from crude oil and will not contain the impurities found in other materials.”

In 2001, WIOC decided to reopen a small portion of its former refinery that closed in 1982 to supply a niche market for ships’ bunker. The company has taken important steps to protect the environment and has the approval of the Antiguan Ministry of Tourism and the Environment Awareness Group (EAG). WIOC also helps protect the environment through its collection program of waste lube oils from utility companies and ships, using an environmentally tried and tested process called Land Treatment to destroy the waste oil.

With plenty of competition from other Caribbean nations, the prime minister considers that Antigua & Barbuda is an ideal place for investment with its tax concessions, numerous offshore financial services and modern hotels, many of which are now moving into convention business. Following the tragic events of September 11th the Prime Minister took steps to reassure President Bush that his administration would do all it can to help stamp out terrorism by freezing assets in any suspicious accounts. “No bank will be able to register offshore operations in Antigua & Barbuda unless they have a physical presence here,” says Bird.



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“Sometimes our local private sector might not be prepared to take the entrepreneurial risk required to make major investments, so we have been actively looking for foreign direct investors,” says Bird. Having signed a Tax Information Exchange Agreement with the US, a taxation agreement with the UK and an asset share agreement with Canada, Antigua & Barbuda is now established as a jurisdiction where any reputable person can invest. “We have relative transparency compared to other jurisdictions,” says Bird. Indeed, US corporations that hold conventions in Antigua are now eligible for tax write-offs.

Antigua & Barbuda has adopted regulatory measures to combat money laundering that are tighter than most mature jurisdictions, including rules stopping banks from accepting cash or bearer negotiable instruments in any amounts. It is the only nation to subject Internet gaming to the same regulation as banks.

In June 2000 the International Financial Action Task Force (FATF) ruled that the government was a fully co-operative jurisdiction against money laundering and the UK and the US have both lifted banking advisories against the country. “Antigua is now considered a model financial destination and as such, with one other country, fought the Organization of Economic Co-operation and Development (OECD) on harmful tax situations,” says Bird. “We have gone above and beyond the normal standard requirements by settling all regulatory policies and procedures in place. We are now in a position where we are poised to actively promote Antigua as a major financial center.”

## CABLE AND WIRELESS MAKE ANTIGUA ITS REGIONAL HUB.

Cable & Wireless, which holds the franchise to provide external telecommunications for Antigua & Barbuda and much of the Caribbean, is a major player in the financial and services economy. “Cable & Wireless can boast of state-of-the-art Internet connectivity on the island,” says Colin Shewry, general manager for the company in Antigua & Barbuda. “The Internet network forms part of a regional network, which has in turn helped to support the development of e-commerce in the Eastern Caribbean.” Cable & Wireless, which has installed fiber optic cable all over the islands, has also invested heavily in the Eastern Caribbean Fiber System (ECFS), a secure undersea network, which has proved critical in allowing Antigua & Barbuda to rebound quickly from the impact of natural disasters. The islands are in the hurricane belt but its external communications are at minimum risk.

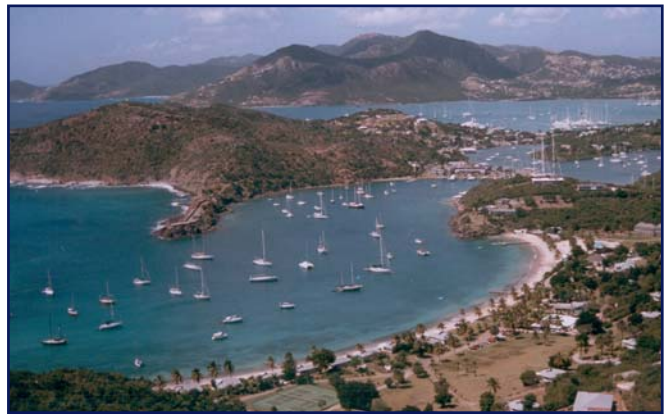
Cable & Wireless has always worked closely with Antigua Public

Utility Authority (APUA) Telephones, operators of the domestic network with 37,264 lines, and recognizes that it would not be able to function successfully without the operation of a quality national network. APUA PCS was the first GSM provider in the English-speaking Caribbean and competes with Cable & Wireless Caribbean Cellular and another operator.

The offshore gaming industry in Antigua & Barbuda is now widely considered to be one of the safest and best regulated in the world. Ron Maginley, director of the Directorate of Offshore Gaming attributes its success to factors such as the well-educated and computer literate population, the enabling and supportive regulatory and legislative environment and the willingness of the offshore banks to work with gaming companies. He also points to the investment by the Antigua government in fiber optic networking for the islands and the decision by telecommunications operator Cable & Wireless to make the islands a regional hub.

Antigua & Barbuda was the first of 54 countries worldwide to license offshore gaming and Maginley recently attended the 2nd World Internet Gaming Summit in Miami. "As such, this first mover status attracted many companies and their success in turn attracted others," says Maginley. "We are proud to say that Antigua & Barbuda is home to many of the world's largest and most reputable gaming companies."


The government takes the view that it is better for all concerned that gaming companies work within an appropriately regulated environment, mindful of the need to ensure the integrity of the gaming activities, and the protection of consumer rights. Indeed, the government views the continuance of offshore gaming as being a central pillar to the development of an integrate e-commerce industry. The directorate can be contacted on [www.antiguagaming.gov.ag](http://www.antiguagaming.gov.ag).



English Harbour - Antigua

World Wide Tele Sports (WWTS) employing 133 people was the first operator with an offshore gaming business in Antigua & Barbuda, and owns and operates BetWWTS.com and Post-Time.com. It is licensed and regulated in Antigua & Barbuda and audited by a major accounting firm. Sports betting is the core business for WWTS but it operates casinos as well as sportsbooks. The maximum wager depends on the sport – in football, the top bet is \$10,000 side and \$5,000 total.

Its first Internet wager was taken in November 1998. Customers betting on the Internet with WWTS deal with English speaking telephone operators who are renowned for their efficiency and dedication. WWTS is continuing to innovate, having implemented a new loyalty rewards program for its loyal clients, who will get 10% back if they make net losses for the year. The customers live principally in the US and Canada but also Taiwan, Europe and Australia.



## WEST INDIES OIL COMPANY TO REENTER THE BUNKER MARKET

West Indies Oil Company (WIOC) operated a small refinery in Antigua from 1967 until 1982, when it became no longer competitive with larger, more efficient refineries throughout the world. Since then, WIOC operated primarily as a terminaling facility, supplying almost all of Antigua's energy needs. LPG, gasoline, jet fuel, diesel fuel, and heavy fuel oil are imported into Antigua and redistributed throughout the island. In spite of hurricanes and other difficulties, WIOC is proud of its perfect performance record as a reliable supplier.

In 2000, WIOC initiated a program to collect waste oils from cruise ships and local power companies and disposed them in a safe, environmentally-proven procedure. The project received resounding support from National Solid Waste Management and various environmental awareness groups.

More recently, WIOC has begun reactivating a small portion of the old refinery to meet a niche market for ship bunkers. This will enable WIOC to reenter the cruise ship bunker market.

Working closely with the Antigua Cruise Ship Association and the Antigua Government, WIOC's ability to both supply bunkers and off-take waste oil will enable Antigua to offer full-service port facilities in St. John's harbor.

The refinery has been designed to operate with minimal environmental impact. Full attention has been paid to prevent air, water, or noise pollution of any kind.

WIOC employs 86 full-time employees and has one of the highest salary and benefit structures in Antigua and throughout the Caribbean. It also employs numerous local contractors and makes significant contributions to support the people and government of Antigua and Barbuda.

WIOC operates a terminal in Dominica as well, supplying gasoline, kerosene, and diesel fuel to local service stations.

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## WWTS Experts in Sports

World Wide Tele Sports (WWTS) was the first operator to establish an offshore gaming business in Antigua & Barbuda, growing from a staff of two to 200 today, with over 98% of them Antigua citizens. Sports betting is the core business for WWTS but it operates casinos as well as sportsbooks and prides itself on transparency.

Customers betting on the Internet can view their accounts and see all the transactions that have taken place. The geographical focus for WWTS is the US, although the company also has customers in the UK, and seeks clients with disposable income targeting the middle-to-upper class customer.

Antigua & Barbuda is an excellent base for WWTS, because of its skilled labor, probusiness policies and the telecoms infrastructure provided by the local operator APUA Telephones and Cable & Wireless of the UK. Ease of communication through the Internet has increased the number of WWTS customers, although due to global economic slowdown fewer are laying wagers of \$5,000 a game and more are staking \$50 a game.

WWTS welcomes initiatives by the government of Antigua & Barbuda to regulate on-line gaming companies and works closely with the independent statutory body, the International Financial Services Regulatory Authority (IFsRA), and the government's Directorate of Offshore Gaming. WWTS has met or even surpassed the standards within the official regulations. Indeed, Antigua & Barbuda is the world's most regulated jurisdiction for on-line gaming companies, having gone through all the procedures necessary to comply with OECD regulations.

1-800-BET-WWTS [www.betwwts.com](http://www.betwwts.com)

# World Wide Sports Exchange Bet on Antigua Pays Off!

Antigua and Barbuda - the only nation to subject Internet gaming to the same regulation as banks.

The International Financial Services Regulatory Authority, controls Internet gambling, offshore banks, insurance, trusts and international business corporations, they are also supervised by the government's Financial Intelligence Unit, and must report transactions suspected as money laundering.

World Wide Sports Exchange ([www.wsex.com](http://www.wsex.com)), which established its business in Antigua and Barbuda in 1996, is among the top five on line gaming companies. The company's 'bet' on locating the start up in Antigua and Barbuda, which it chose in preference to Costa Rica or Australia, has clearly paid dividends.

"We were not looking for a cheap alternative," says General Manager, Haden Ware. "Antigua was very expensive, \$75,000 - \$100,000 for a license, and after doing the proper background checks we knew that we would surround ourselves with the right people within the industry and the right other sports books."

The business model is different to some of its competitors, with around 50 employees instead of a large core staff. It makes good use of the Cable & Wireless-supplied bandwidth capabilities in Antigua & Barbuda to encourage more of its customers to come direct through the Internet rather than over the telephone. Nevertheless, World Wide Sports Exchange has a positive view of its competition and considers there is plenty of business to go round.

As far as online sports books are concerned World Wide Sports Exchange can battle with the best of them because there are few of its rivals that take the volume the firm attracts on line, as the really major players tend to be telephone operators.

Its founders' background was in the San Francisco Stock Exchange and its original concept was to set up a 'stock market for sports' but it has since established a fully fledged sports book but with interactive betting. "Interactive wagering, as well as poker, set us apart," says Ware. "We are the only sports books in the world that allow you to bet on sports and play poker seamlessly through one account."

World Wide Sports Exchange is an enthusiast for the Antiguan authorities work on improving the environment for offshore gaming. "It wasn't a handshake to get in here like you have in other jurisdictions," says Haden Ware. "In Antigua, they did

the proper due diligence so we knew that when we became successful here, that the credibility of the government would help our business. At this point in 2002 they have the most comprehensive legislation and regulations in the world," says Haden, "and so the risk in 1996 in coming to Antigua has rewarded us as they have indeed moved in the direction we thought they were moving."



■ General Manager  
WSEX - Haden Ware

The Directorate of Offshore Gaming is there to act as a buffer between the client and the World Wide Sports Exchange, says Haden, although he adds that no customer has ever had a problem with his company. He values the regulator for its ability to open up communication between the operator and the government legislation, which was put to the test a year ago when new legislation was enacted. "Obviously, they had the final say, but the regulations they put in place allow us to operate, the tax we pay is fair and the regulations are comprehensive to a 't'.

Ware has no problem with customers having to conform to government procedures before investing money on gaming. "It safeguards us from fraud and ensures that the customer is a responsible individual not someone betting on credit," he says. He also considers that the 3% tax on gaming profits is a fair levy, given the investment in infrastructure by the government.

The company's business growth since 1996 in Antigua has been exponential. "The Internet became very large in North America," says Haden. "Since that time it has trickled off a little because everyone is on line but our customer base has grown throughout every year and more than triples every year." The business capitalizes on the well-trained staff in the islands and that all World Wide Sports Exchange's servers are based in Antigua. Ware says that a peak time is Sundays during the NFL season but it is clearly vital that customers can reach the site at that time.

The events of September 11th failed to damage the firm's business. Economic recession has made a bigger impact with many gamblers reducing their stakes because of lower disposable income. World Wide Sports Exchange considers this a positive development because it wants its customers to behave responsibly.

Some 65% of the client base for its World Sports Exchange is from the US but the next target is to open its Europe Sports Exchange – a market Haden says has the WSEX not yet been fully exploited. Its European call centers will be in the UK to serve the time zone more efficiently and to use familiar accents but the main operation stays in Antigua. "After that is set up we would like to hit the Asian market," he says. "Our real focus at present is to become global."

■ Business Focus  
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