

Statement of Mario Hoffmann to the suspension of Salt Cay development

“Secret Orders from London cause Salt Cay project to be put on hold.”

5th August 2009

It is with great regret and personal sadness that today I have to announce that we have decided to put on hold our work on the Salt Cay project including the public infrastructure work. This is not, as some may think, because of what has been said about me in the Commission of Inquiry's report. I will continue the legal challenge to clear my name and demonstrate that I was not treated fairly by the Commission. The legal process is taking longer than I had hoped, but I will not rest until I have cleared my name.

The reason that we have decided to put the project on hold is because on the 6th of January 2009 the Secretary of State instructed the Governor not to act in accordance with the advice of the Turks and Caicos Islands cabinet where such advice related to any further steps in the development of Salt Cay as it had become clear to him that the Commissioner was looking into the development of Salt Cay.

The Foreign and Commonwealth Office did not tell me that this decision had been made until they wrote to us on July 15th, 2009 – over 6 months after the instruction had been given.

I was not told my project was being investigated by the Commission. I was not told that consideration was being given to placing a stop on the project and at no time was I consulted or given a chance to make any comment or representation.

This instruction was made before any of the public hearings started and so I have no idea and have not been told the legal basis upon which this secret decision was made.

After the decision was made I was not told about it. It was a decision made in secret and then kept secret from me, those working on the project and most importantly kept secret from the people of Salt Cay.

There were certainly opportunities to tell me what had happened; for example when I met the Governor on 20th March 2009. He could have told me about the instruction, but he did not – he continued to keep it secret. When I offered to leave him comprehensive pack of written information about our project he simply refused to receive it; he did not say why.

It was only after series of letters addressed to Governor and the Premier seeking information about decisions which should have be taken about the project that we finally received a letter from the Governor on 29th May 2009 stating,

“As you will be aware, I am under instruction from the Secretary of State not to act in accordance with the advice of the Turks and Caicos Cabinet where such advice relates to any further steps in the development of Salt Cay. ... I do not think that a presentation to the Cabinet at this stage, in terms as requested, would be productive.”

I would like to make it clear that I was not aware of the instruction and this is the first time it was mentioned to me. There was no indication that the project had been put on hold by the instruction from the FCO since January. That only became clear in the letter we received on July 15th.

Even now, 2 months after the Final Report was delivered to the Governor we still have not got any response to our basic questions and no indication when a final decision will be made about the project. I have been here for a month asking for a meeting with the Governor to discuss this most fundamental of issues with respect to the project. So far the Governor has not agreed to meet with me.

This environment of secret decision making and continual refusal to discuss basic issues is not one in which I can continue to invest. However, I want to make very clear that my first priority is to continue with the project which is why I am not cancelling the project, just putting it on hold.

I appreciate the great support I have received from the people of Salt Cay as we have worked very closely together incorporating their suggestions and requirements into our plans. I am convinced ours is the best project for Salt Cay, the least dense and most sustainable development on TCI so far. As with all significant developments it can only proceed in partnership with Government and the Crown. I am always ready to listen to arguments and ready to negotiate or renegotiate, but I cannot continue when the other side is not moving ahead and will not even communicate.

I will not continue with the Salt Cay development until I receive an explanation for the steps that have been taken by the FCO and the Governor and until a proper and publicly discussed development plan for Salt Cay has been put in place. If this cannot happen in a timely manner I will have to reconsider my position and seek legal redress elsewhere.

I understand the Commission's process and have waited patiently while it carries out its work, even though I consider it has been unfair to me. What I do not understand is the secret decision making and refusal to enter into discussions with me. I have suggested that we simply proceed to build just the public infrastructure on Salt Cay which would benefit everyone on Salt Cay regardless of whether the project will move ahead. In agreements with Crown signed by HE Governor Richard Tauwhare on 14th July 2008 I have an obligation to invest a minimum of \$15 million in public infrastructure – public infrastructure which is to be decided on not by me, but by Government. I have not received any answer to that suggestion. Further, if I had been told that the project was on hold in January I would have certainly taken some decisions much earlier to avoid further damage to the project and wasted expenditure.

As I said in opening, I make this announcement with regret as I believe the project is right for the people of Salt Cay. I am willing to discuss the project with the Governor, Government and even the Secretary of State and am willing to move forward if, but only if, I receive a commitment of transparent and open dealings for the future.

I also have to consider the significant damage caused to my reputation from unfounded allegations and twisted facts aired during the course of the Commission of Inquiry and as a result of the publication of parts of the report by the Governor in direct breach of his legal assurance to the Court. I will continue

the fight to show that there was a breach of natural justice and that I did not get a fair public hearing before the Commission. I still await a personal apology from the Governor for his publication of the parts of the report he assured the Court he would keep private.

I came to the TCI for the first time in 1997. Since then I have spent a few months here every year. I didn't come originally to do any business here, just to have a great holiday with my friends and family and enjoy the nature and community of Turks and Caicos. I do remember where this country was 12 years ago – no paved roads, much worse infrastructure and much less development than we can see today. Even in my first years on Salt Cay I only had the intention to build my holiday home.

I only decided to do a development project when I realized this country has the best concept of its own development in entire Caribbean – very sensitive development, focusing to the highest standards, investing widely to public infrastructure and education. However many people were not here and some of these who were might forget, but I do remember how it was 12 years ago and how it was just one year ago, when this country has the most valuable brand and buzz and was the most exclusive destination in Caribbean. I also remember double digit growth for years and that the price of land on Grace Bay Beach rose from \$200,000 to \$3 millions per acre..

In last year many things changed. Not just as a result of world economic crisis and disastrous hurricanes but also social temper and atmosphere. Brand and buzz of TCI was significantly destroyed, we are dealing not just with huge fall of income but also with social problems, increasing of crime and negative atmosphere. The problems that the TCI face are serious and so far I have no seen evidence of an overall plan as to how to deal with it. The beaches and sea remain beautiful, but are not in themselves enough for tourism and development to flourish. There has to be a welcoming and positive atmosphere for people to come to spend their holiday. There must be a clear government strategy and policy to attract investors backed with political stability and predictability. I am afraid we are facing very bad and difficult times here in TCI. I would be more than happy to be wrong, not just as Belonger but also as significant investor. I believe the TCI will recover and will be again the most attractive Caribbean country. It may take years and will need strong and devoted leaders with very strong mandate from the people of the TCI to come through.

I remain committed to the Salt Cay development and I am ready to continue immediately when I receive confirmation that we can move forward adopting principals of good governance, justice and openness.