



**Government of Jamaica
Ministry of Transport, Works and Housing**

*Statement
by
Dr. the Hon. Omar Davies, MP
Minister of Transport, Works and Housing*

**THE PROPOSED CHINESE INVESTMENT IN THE PORTLAND
BIGHT PROTECTED AREA**

Tuesday, 10th September 2013

**STATEMENT TO PARLIAMENT
PRESENTED BY THE HONOURABLE MINISTER OF TRANSPORT, WORKS AND
HOUSING CONCERNING THE PROPOSED CHINESE INVESTMENT IN THE
PORTLAND BIGHT PROTECTED AREA**

Tuesday, 10th September 2013

- (1) Mr. Speaker, you would have been aware of the concerns raised through the various public media and other fora about potential environmental risks to the proposed Chinese investment in the Goat Islands and greater Portland Bight Protected Area. Indeed, the Cabinet and the Ministry of Transport, Works and Housing have been giving consideration to these issues and have been engaging stakeholders towards ensuring that any decision to proceed is based on a factual assessment of the associated risks and implementation of any required mitigation and protection mechanisms.

- (2) Mr Speaker, it is therefore important that I use this opportunity to steer the discourse away from much of the controversy, wild assertions and baseless speculation that have been taking place in the public sphere.

- (3) Upon assuming office in January 2012, this Administration inherited a Memorandum of Understanding (MOU) between the Port Authority of Jamaica and the China Harbour Engineering Company (CHEC), under which CHEC would carry out investigations to determine whether they would enter in to a definitive agreement for the development of Fort Augusta as a trans-shipment port.

- (4) You will recall that, in her 2013/2014 Budget Presentation, the Most Honourable Prime Minister informed this Honourable House and the country of the fact that CHEC, having completed its analysis of the Fort Augusta location, came to the conclusion that it did not sufficiently qualify for such a development, partly because the scope and nature of their proposed project had expanded in the ensuing period. Consequently, CHEC sought the GOJ's agreement to an ADDENDUM to the MOU which would allow extra time for assessing alternative locations.

- (5) Having been advised of the changing situation, the Cabinet on April 21, 2013 approved an Addendum to the existing MOU between the Port Authority and CHEC to allow the investors to undertake the necessary feasibility studies/due diligence of the project. This would include consideration of the technical, financial and environmental factors, to facilitate the refinement of a final proposal that would be submitted to the Government of Jamaica. The period of assessment is one year and is expected to be completed by the end of April 2014. At that time a decision will be made as to whether to proceed to a conclusive agreement, providing that all social, developmental and environmental issues have been addressed and the requisite regulatory permits are in place.
- (6) Whilst this assessment is being carried out, officials of the GOJ, in particular those from the Port Authority, have remained in constant dialogue with CHEC. It is through this interaction that the GOJ was informed that CHEC's first choice for the development was Goat Island and lands to the north on the mainland.
- (7) I have instructed the Port Authority to continue its assessment and monitoring of the proposed project area to undertake detailed environmental and feasibility studies, and to offer effective guidance to the Chinese investors about the required development processes and approvals which must be followed or attained, before any final proposal is put to the Cabinet for consideration.
- (8) In this regard the Port Authority has commissioned an Environmental Management Scoping Project to identify precisely the levels of interest in Portland Bight and the principal bio-physical and socio-cultural characteristics.
- (9) Among the objectives of this study are:
- Determining the geographic boundaries of the Portland Bight Protected Area
 - Conducting archival research on the historical use of the area
 - Identifying applicable international and national environmental policies, legislation, regulations and standards for the area

- Identifying the biologically sensitive features of the marine and terrestrial environment
 - Determining the location of rare, threatened and endangered species and their spatial distribution in the Portland Bight and Ridge Area and the Goat Islands
 - Identifying the boundaries of fish sanctuaries
- (10) When the Environmental Scoping Project is completed, the data from it will be used to inform the composition of the terms of reference for the Environmental Impact Assessment (EIA) that will be undertaken.
- (11) Mr Speaker, when development is proposed in or near to rich environmental areas, it is expected that concerns will be raised. However, given the present stage of the process that we are in, some of the statements that have been made and the resulting opinions and positions taken, are premature. Still, such public discourse is a healthy part of how we, as a nation, move forward on important issues.
- (12) Mr Speaker, this Administration is very aware of the need to protect the environment to the greatest extent possible. However, our definition of the environment involves human beings and so, even as we are concerned about the flora and fauna of the natural habitat, we are also concerned about the socio-economic advancement of the human population.
- (13) This proposed investment of approximately US\$1.5 billion would, represent a key development milestone and could have a significant positive impact on the country's development agenda. Although we are bound by the terms of the MOU whilst the feasibility studies are being undertaken, we are also aware that in the absence of some information about the project, it is easy for speculation and suspicion to be cultured. Therefore, it is important that we allow the process to take its course and await the findings from the Port Authority and CHEC so that all issues could be put to proper assessment and determination.
- (14) Mr. Speaker, at the base of everything, a critical issue is how to pursue economic and physical development whilst ensuring equitable social returns and the protection of the

natural environment.

This Government is cognizant of the nuances that exist in achieving this balance, but we are resolute in our commitment to achieving same and to fostering the environment where stakeholders can be a part of the decision-making process.

- (15) At the same time, we must all bear in mind the country's current economic and social challenges and the urgency with which we need to secure investment for the sustainable future for all Jamaicans. In that context, we believe that, as an Administration, we would be irresponsible were we to simply refuse to explore the possible benefits of an investment which would simultaneously create significant employment and expand the economy. At the same time, we invite those who have already taken a position in opposition to the project to place in the public domain some alternatives which would simultaneously protect the natural environment and assist the population.
- (16) Mr Speaker, before closing, let me take the opportunity to provide to Parliament and the nation a progress report on the proposed Public/Private Partnership for the expansion and modernization of the Kingston Container Terminal (KCT).
- (17) The KCT privatization is proceeding apace. Three companies have been shortlisted and will be invited to respond to a Request for Proposal. It is anticipated that a Concessionaire will be selected before or by the end of the first quarter of 2014.
- (18) The dredging of the Kingston Harbour Access Channel is a critical component of the expansion and modernization of the KCT. The objective is to increase the access channel depth from 14 metres to 17 metres to accommodate 14,500 TEU container vessels which will traverse the Panama Canal upon completion of its expansion. This project is now expected to be completed in 2016.
- (19) The Environmental Impact Assessment (EIA) has been completed and will be submitted to NEPA before the end of this month.

- (20) A Geotechnical Investigation is currently in progress to determine the quality of the material to be dredged. This information will be included in the tender documents which will be made available to the companies which have pre-qualified. The dredging works are on schedule to be implemented between April 2014 and July 2015.