

Oil bills, regulations to Cabinet next week

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A compendium of legislation comprised of a new petroleum bill and regulations, environmental pollution regulations, and the framework for a sovereign wealth fund (SWF) may be presented to Cabinet by next week, according to Minister of the Environment and Housing Kenred Dorsett.

Dorsett told *Guardian Business* yesterday that the Commonwealth Secretariat was in Nassau finalizing a fiscal regime to complement the

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• Continued from page B1 government's proposed sovereign wealth fund ahead of tabling the long-awaited petroleum legislation.

"We're now finalizing those matters. Meetings are ongoing with The Central Bank of The Bahamas (CBOB) and the Ministry of Finance this week, and I'm hoping that we'll be in a position to have the final documents presented to Cabinet next week," he said.

The legislation is intended to ensure that oil exploration in The Bahamas is consistent with international standards.

A sovereign wealth fund is a state-owned investment fund or entity established from the

balance of payments surpluses, resource exports, fiscal surpluses, privatization proceeds, and other sources. These funds are then typically classified as pension reserves, investment and strategic development funds, or other similar classifications.

Over 30 SWFs have been created since 2005 collectively worth more than \$6 trillion. Sixty percent of the world's SWFs originated with oil and gas revenues.

Dorsett said he intended to table the legislation in the House of Assembly in the coming weeks following Cabinet approval, believing that he could make good on his

earlier goal to put the legislation before Parliament before the end of the year.

The news comes after months of delays and growing frustration from the Bahamas Petroleum Company (BPC).

BPC CEO Simon Potter largely attributed the company's difficulty in finding a partner firm to drill an exploratory oil well to a lack of "any tangible progress by the government" in producing promised petroleum regulations. However, Dorsett argued that the country could not act too quickly.

"While I understand the frustration of the BPC in not having the regulatory envi-

ronment within the timeframe that they would want, I want to make sure that it is a set of regulations that we will be able to live with as a country.

"That's what drives us, to make sure that we get it right, rather than doing it quickly," said Dorsett.

Dorsett stressed that the country needed a greater mix of renewable and fossil fuels in the near future. While he noted that fossil fuel would be a part of The Bahamas' energy sector for some time, he strongly advocated a push for a reduction in fossil fuels ahead next week's Bahamas Energy Security Forum.

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