

1 May, 2026.

President's Report – 7th Annual General Meeting

Today's annual report at this historic occasion for the **National Eco-Tour Operators Co-operative Society Limited** in Eleuthera will take on a historic and futuristic perspective from the founder of the organization. As current president/chairman and having been the only one in this position since the inception of the co-operative in 2016, ten years ago, I think it is fitting to give for the records some background on how we started and a dab on some things that can happen in the future.

The **National Eco-Tour Operators Co-operative Society Limited** was indeed registered as a co-operative with the Department of Co-operative Development in Nassau, Bahamas on 22 September, 2016. How did it get to this point?

I, H. Rudy Sawyer, was the owner and operator of the nature tour company, *Blue Green Outdoors*, and was acutely aware of the big hurdle that limited the number of tour businesses from getting business from cruise ships coming to The Bahamas. All the cruise lines required that anyone doing business with them to have public liability insurance of one million or two million dollars. For small operators the cost was prohibitive for most of them. This was the problem, the need was to reduce the cost for public liability insurance sufficiently to allow for small tour operators to afford it, thus allowing them the opportunity to qualify to do business with the cruise lines. With the experience I would have had, I felt confident that I could come up with the solution to this problem.

I knew of P & I (Protection & Indemnity) Clubs that are mutual, non-profit association of shipowners, operators, and charterers that provide insurance and liability protection for their members. I provided independent cargo inspection services to some of them in my capacity as owner of an oil inspection company. I had been involved with co-operatives for a great number of years and was quite aware of how they did and could operate. I also was involved with business development, particularly with small businesses, mainly the writing of business plans.



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Combining these elements with my training in economics I went about devising a business plan that will show how this could work. My oil inspection business had public liability insurance, so I was aware of how to source the insurance.

Mutual organizations are principally the same as co-operatives, and I knew this was another key factor for this to happen. After doing the work and putting the business plan together, I then presented the idea to other small, nature-based tour operators who were also facing the same obstacle to getting business from the cruise ships. It was a common problem, a barrier to entry in an area where most of the tourists to our country were coming in. The proposed solution as outlined in the business plan and as explained by me made sense to them and they bought into it. We got eleven members (required minimum 10 persons) who purchased the initial two (2) shares each at \$50.00 per share, plus a \$50.00 joining fee, and we applied to be registered as a co-operative business.

This initiative was not government driven, it was strictly private business owners who realized a problem they had and decided to find the solution for it.

Of course, starting a business is only one thing, maintaining it is another. Members were able to get the \$1,000,000.00 public liability insurance with worldwide jurisdiction at a considerable discount from the very beginning. We were able to win the Department of Co-operative Development co-operative business plan competition that gave us a \$5,000.00 prize that went into our early operation. All work was being done voluntarily by Board members and myself. Being based in Freeport where the tourism business was not good, members were struggling, and thus the co-operative also struggled, but we hung in there. Hurricane Dorian, the strongest hurricane in our region ever, made a direct and devastating hit on the island of Grand Bahama in September 2019, followed almost immediately in early 2020 by the pandemic. There was absolutely no business. Yet, we survived.

As the word got out that there was an organization in Grand Bahama that had solved the problem of the high insurance premium for public liability insurance, and that it was open to all nature, culture, small tour and tourist related businesses anywhere in The Bahamas, the co-operative

grew. Then Disney opened its cruise port at Lookout Point in south Eleuthera in 2024. Disney took the admirable approach to ensuring that local vendors benefit from their operation, and through their Bahamian executive, Mr. Joey Gaskins, identified and paid for the membership fees, plus the first year insurance premium to **NETO** for their Eleuthera vendor partners. This was a great boost for the co-operative and has proven very beneficial to these small tourist business ventures doing business with Disney. It is crucial at this point to make mention of the Bahamas Development Bank who had heard about what we had done through **NETO Co-op.** and decided that we had some mutual interests in building successful, productive Bahamian businesses and decided to sign a Memorandum of Understanding with us. It was with their support that the Disney arrangement occurred.

There were three pillars on which the **National Eco-Tour Operators Co-operative Ltd.** was started:

1. Reduce the business expenses of members
2. Do joint marketing
3. Training

The first pillar is the one that we have been most successful in achieving, primarily through the significantly reduced cost for public liability insurance. We are progressing on the second as we have established two websites and are working on the social media aspect to create an avenue for our members to get more business. The third pillar of training is being looked at continuously as we contemplate keeping members up to speed on the latest requirements for our industry and plan for further training programmes for member employees and others in our industry.

NETO Co-op. Ltd. is on solid grounds as we look to the future. We are participants in the number one industry in our country, tourism. The bond of membership for our co-operative is narrow and specific, it covers nature, heritage and culture tour operators and related tourist related businesses. As a co-operative we naturally are designed to look out for each other's businesses. And, we are all owners of the co-operative. These factors have advantages.



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We have a tourist market in The Bahamas where 6.5x times more tourists come to the country by cruise ships than those that come by plane or otherwise. Most of the almost 11 million cruise tourists that visited us last year went to private cays operated by the cruise ship owners. Obviously, most tour operators and other local tourist related businesses do not benefit directly from them. But, the Tourism Development Corporation does, receiving two dollars (\$2.00) per head for every one of those tourists who visit. This government entity was put in place to capture some monies from visitors to these remote destinations in the country and to use it to benefit those of us in the industry not able to benefit from them. We wish to see, going into the future, a closer relationship of our organization and the TDC in channeling some of those funds through us to help our members. We have proven over the ten years of our existence that money extended to us could be considered money well spent or an investment well made.

Futuristically, I look forward to **NETO** moving more toward self-insurance. Maybe, starting with covering any deductible involved with any claim by members being covered by **NETO Co-op**. Then, eventually building our funding to the point where we can build to the point of being able to cover any public liability risk up 50% of cover.

Possibly using our numbers to providing competition beating group cover for business, employee, injuries and accident insurances, etc.

NETO sometime into the future could be providing self-financing of members projects through the use of equity shares – members investing into other members businesses.

In collaboration with other competent authorities, **NETO Co-op** can become a recognized and respected provider of tourism and sustainable training and certification.

Thanks.

H. Rudy Sawyer
Chairman/President