

Feb 28th 2020

Excerpts from the 2020 budget address

Private Sector, FDI & Entrepreneurship

Introduction

Saint Vincent and the Grenadines is open for business like never before, and the private sector – both local and foreign – is recognising the diverse investment opportunities that exist in our country. This Government has been active and energetic in the pursuit of partnerships that advance our developmental aspirations. We have worked hard to create facilitating environments for businesses – both legislatively and administratively. We have aggressively targeted businesses and sectors that we consider to be ripe for growth and expansion. And we have worked with individual investors to understand their needs, while aligning those needs with our goals of people-centred development, wealth and job creation.

Since the opening of the Argyle International Airport, we have called on the local, regional and international private sector to take another look at the investment opportunities available in Saint Vincent and the Grenadines. The private sector is answering that call. The constant drumbeat of ground breakings and ribbon cuttings by private sector entities is music to our ears.

Investments

In the hospitality sector, private sector entities are building Royal Mill, Black Sands, Myah's Luxury Suites. The Liming Hotel in Bequia has just enjoyed its first year of activity, and it has already joined existing hotels nationwide in expanding to capitalise on increased demand. The Sandy Lane Yacht Club and Residences in Canouan48 is now fully operational. The luxury residences and spectacular berth marina uniquely position Saint Vincent and the Grenadines as the potential epicentre for high-end, super yacht tourism.

In agriculture, the Saint Vincent Cocoa Company is the largest private landowner, largest private employer of farmers, and exporter of high quality chocolate, while Shenton Coffee Farms has produced a new specialty coffee that will be exported this year. In fisheries, Ocean Marine Shipping Agencies and the Bequia Seafood Company are hiring hundreds of Vincentians and exporting millions of dollars worth of fish and seafood. As promised, Rainforest Seafoods will also commence operations this year, further expanding our fisheries sector. Our Digicel and Clear Harbor call centres, continue to grow, with Clear Harbor, in particular, scheduled to have hundreds of Vincentians on their payroll by year's end. This year, many of the recipients of medicinal cannabis licences will commence operations, adding to the growing private sector momentum. Existing investors – from the One Saint Vincent Group in Glen to Kendra's Aluminum in Campden Park to the Sandy Lane investors in Canouan – have ambitious expansion plans.

Expos etc.

This year, National Properties plans to convert the vacant passenger terminal building at the former ET Joshua Airport to a modern retail and entertainment plaza. National Properties has been overwhelmed by the number of expressions of interest from local business entities. That facility, to be anchored by existing Kingstown-based companies, will open in the second half of 2020.

Last October, the Government continued to showcase the diversity and depth of the Vincentian private sector with the Agri Expo49 and the Everything Vincy Expo. These two events highlighted hundreds of local producers, manufacturers and service providers to thousands of Vincentian consumers. The popularity of these Expos, with consumers and exhibitors alike, means that they will continue to solidify their status as can't miss events in our annual calendar.

Over the last decade, Saint Vincent and the Grenadines has routinely been one of the largest per capita attractors of Foreign Direct Investment in Latin America and the Caribbean.⁵¹ Our pursuit and facilitation of business, investment and entrepreneurship continues in 2020. In May, Invest SVG will host Saint Vincent and the Grenadines' first-ever Investment Forum, which will showcase our nation and certain well-researched opportunities to targeted regional and international investors. In addition to the work of Invest SVG, our consulates and investment facilitation officers abroad continue to do invaluable work in providing information and steering foreign investors to Saint Vincent and the Grenadines.

Our newly-established Ease of Doing Business Unit, announced in last year's budget, is in the process of identifying and analysing impediments to establishing and engaging in business in Saint Vincent and the Grenadines. These impediments, from banking and customs regulations to legislative or information deficits, will be comprehensively addressed in 2020.

Entrepreneurial Culture

A central focus of Budget 2020 is the development and support of an entrepreneurial culture in Saint Vincent and the Grenadines, particularly among the youth. Our objective is to encourage entrepreneurship and institutionalise systems of support for entrepreneurs and microenterprises. In addition to placing an additional \$1 million in the Farmers' Support Revolving Fund and launching the \$2.4 million Promoting Youth Microenterprises (PRYME) programme, this Government continues its careful nurturing of entrepreneurial spirit in Saint Vincent and the Grenadines.

The Invest SVG Angel Investor programme, launched in 2019, provided local entrepreneurs the opportunity to pitch their products and services directly to interested investors, and to receive constructive analysis of their business plans. Meanwhile, micro, small, and medium-sized enterprises that have been unable to secure loans from local banks

can take advantage of the Eastern Caribbean Partial Credit Guarantee Corporation (ECPCGC), which becomes fully operational this year. The ECPCGC, which is funded by the Government of Saint Vincent and the Grenadines and other OECS governments, helps these small businesses by partially guaranteeing their loans, thereby increasing banks' willingness to lend. We expect scores of local businesses to benefit from these partial guarantees in 2020.

By the end of 2019, 25 entrepreneurs were awarded \$2.6 million in CARCIP grants for their technology-enabled businesses. These entrepreneurs – whose businesses ranged from agriculture to media production to engineering – each received an average grant of over \$70,000 to help fund their business establishment and growth. In 2020, nine of these entrepreneurs will continue to receive the requisite training, and are slated to drawdown \$420,000 in grants. Never before have entrepreneurs and ICT adopters in Saint Vincent and the Grenadines received such massive grant support to pursue their dreams.

Of course, not every entrepreneurial foray will end with success. Entrepreneurship is, by definition, risky. Not every foreign investor will deliver on its initial objectives or promises – such is the nature of private enterprise. However, this Government recognises that a vibrant business and entrepreneurial sector plays an indispensable developmental role within our existing economic structure.