

Feb 8<sup>th</sup> 2019

**Excerpts from the 2019 Budget Address delivered by the Minister of Finance, Camillo Gonsalves**

**Promises Made, Promises Kept**

In last year's Budget address, we made a number of undertakings to the Vincentian people. Today, we are proud to recall those promises, to celebrate their fulfillment, and to provide updates of those yet to be accomplished.

One year ago, we promised that, in addition to direct flights from Toronto and New York, the Argyle International Airport would see flights from "*an additional major carrier from a separate North American hub.*" Today, we know that that major carrier is American Airlines and that North American city is Miami.

One year ago, we announced that we would engage with the Vincentian public to establish the legislative framework for a "*well-regulated, clearly defined, export-oriented, medical cannabis industry in Saint Vincent and the Grenadines.*" Today, we have passed the enabling laws, and expect 2019 to mark the year in which medicinal cannabis is legally exported from our country for the first time.

One year ago, we committed to populating a robust "rainy day" Contingencies Fund, through the collection of a 1% tax on consumption and a small fee on stay-over hotel guests. Today, we have saved almost \$13 million in our Contingencies Fund, improving our ability to respond to natural disasters.

**The Vincentian Economy**

One year ago, we shared our plans with the International Monetary Fund and they predicted that the Vincentian economy would grow by 2%. Today, we can say that we have surpassed that projection. Our preliminary data indicate growth of approximately 2.5%, while the latest publication from the Economic Commission for Latin America and the Caribbean (ECLAC) places it at a slightly more robust 3.2%. According to those ECLAC projections, Saint Vincent and the Grenadines' 2018 growth rate was the 4<sup>th</sup> strongest among the 14 independent members of the Caribbean Community.

One year ago, we promised a resolute response to the foreign exchange challenges facing Vincentian traffickers doing business in Trinidad and Tobago. Today, because of our temporary imposition of Exchange Controls, the patriotism of our business community, our advocacy within the Eastern Caribbean Central

Bank and our intense diplomatic work behind the scenes, we have found a resolution to this thorny issue that benefits our traders and farmers.

One year ago, we pledged to open and staff the new Modern Medical & Diagnostic Centre at Georgetown. Today, the Complex is well staffed by Vincentian and Cuban professionals, and offering world-class medical care, including dialysis and oncology services.

One year ago, we told you that we would markedly improve our Coast Guard fleet through the addition of “*a top-class vessel . . . from the Damen group.*” Today, the *Captain Hugh Mulzac*, a 140-foot, US\$6.8 million patrol vessel with a crew complement of 18, is the most advanced craft in the OECS, and is complemented by two new, smaller vessels recently sourced from the Government of Japan.

One year ago, we informed you that Saint Vincent and the Grenadines would commit resources to its historic quest to be the smallest nation to secure non-Permanent membership on the United Nations Security Council. Today, we can report that our candidacy has been endorsed by all the countries of Latin America and the Caribbean, paving the way for our hopeful election later this year.

One year ago, we pledged to use our influence to place the closed Buccament Bay Resort in the hands of new private investors, and to pursue the construction of state-owned hotels with up to a total of 350 rooms. Today, the new investment group is on board at Buccament, the Government has secured US\$50 million to commence a hotel at Mt. Wynne, and we have finalised work to build another hotel at Diamond.

### **Other Promises**

Many other promises were made and kept, from the expansion of the Zero Hunger Trust Fund, to the establishment of a programme to deploy CCTV cameras across Saint Vincent and the Grenadines, to the installation of fiber-optic ICT infrastructure, to the continuation of work on a geothermal energy plant and a modern port.

Other promises, while not completed within the predicted time frame, are well on the way to fulfilment. Our pledge to break ground on a new seafood packing facility at Calliaqua will take place in the coming months. Our commitment to commence physical works on new secondary and feeder roads funded by the Kuwait Fund for Arab Economic Development is now slated for March. Our pledge to commence collection activities against VAT and PAYE scofflaws is nearing fruition. Our promised environmental initiatives regarding single-use plastic bags and grey water disposal were extensively studied in 2018 and will see implementation in 2019. And our undertaking to establish an advisory National Economic Council, while still unfulfilled, is now at the stage of consultation and member selection.

## **Conclusion**

Taken together, this record of fidelity to our 2018 Budget pledges is impressive not only as a record of what we have done; but an important measure of the seriousness with which we view our commitments and an indicator of what will happen in 2019. We are keeping our 2018 promises. Put your pot on the fire that we will keep our 2019 promises as well.

This year, the cautious optimism of 2018 is fuelling an even more positive perspective on 2019 and the medium-term prospects for Saint Vincent and the Grenadines. While we are by no means fully recovered from the impacts of the global economic and financial crisis and adverse climate events, the plethora of green shoots is plainly visible, have taken root, and form, collectively, a heartening launching pad for post-crisis growth and development.

Budget 2019 seeks nothing less than to further the process of transforming the pillars of our economy from monocrop, subsidy-dependent and low skill to one that is modern, competitive, postcolonial and many-sided.