

## **BUDGET 2021: CRAFTED TO ADDRESS THE CHALLENGES OF THESE TIMES**

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### **Introduction**

The opening of the First Session of the Eleventh Parliament occurred on Monday February 1st, 2021, and coincided with the presentation of the National Budget presentation by Minister of Finance, Hon. Camillo Gonsalves. This was a well-crafted budget under the theme “SVG Stronger Together; Overcoming Today’s Challenges, Building Resilience, Strengthening Social Protection, Creating Jobs and Accelerating Transformational Development”. The year 2020 presented this country with many challenges that required innovative and creative policy responses by this government to address those challenges, be they unforeseen or reasonably predictable. That experience of 2020, coupled with the ongoing challenges of the global pandemic, the receding dengue outbreak, the threat of volcanic eruption at La Soufriere and the possible dry season followed by an unpredictable hurricane season, meant that this year’s budget needed to be crafted in such a way as to take every eventuality into consideration. Finance Minister Gonsalves rose to the challenge and delivered a budget that adequately catered for all sectors of our economy keeping in mind the unpredictability of events that lie await for SVG this year.

## **The Budget in Numbers**

Minister Gonsalves presented a budget for 2021 with Estimates of Revenue and Expenditure of \$1.2 billion, representing a 2.2% increase of the approved budget for 2020. This total reflects current expenditure of \$698 million, an increase of 2.9% over the approved budget for 2020 and a capital expenditure of \$316 million. In referring to the timeliness of the budget, Minister Gonsalves stated: *“Budget 2021 has been carefully crafted to not only respond to the extant circumstances we now confront as a country but also to position us to take advantage of the rebound when it inevitably returns. While we may be uncertain about the exact timing of the rebound we know with some certainty that it will come. To this end, this year’s budget meets the challenges posed by the COVID-19 pandemic, sows seeds for future economic growth through investments in tourism, agriculture and public infrastructure; consolidates our gains in Education, Health and Housing all with a keen eye on creating jobs and improving the overall welfare of all citizens”.*

This year’s budget addresses in a comprehensive way the needs of Vincentians during a time of extreme challenges and great uncertainty. It provides support for the poor and vulnerable, invests in infrastructure through repair and maintenance projects, as well as new projects, builds capacity in the health and education, expands citizen security, invests in the diversification of the agricultural sector and continues the transformation of the tourism sector among others.

The focus given to the activities geared at stimulating economic activity at a time when global trends are contributing to the slowing of economic activity is obvious, while ensuring that investments that protect the health and wellbeing of Vincentians are made. Apart from the obvious politicking, one would be hard pressed to reasonably conclude that this budget doesn't adequately address the circumstances facing the Vincentian society. This article doesn't permit the detailed examination of Budget 2021, but will select some examples of allocations made and discuss how the budget would address some specific areas.

### **Some Areas Of Focus**

The established reality of Covid-19, is that it has four dimensions, Health, Economic, Social and Security that are interconnected and must be tackled simultaneously if we are going to successfully manage the impacts of the pandemic. To this end, the approach to the ULP administration is to manage in such a way that allows for the continuation of life, living and production. Agriculture and Fisheries are set to continue benefiting from targeted investments in those sectors by the government. Farmers and fisher-folk can expect the same level of support received last year to continue with some additional targeted interventions. Agriculture would benefit additionally from a \$4.4 million project to improve competitiveness through the construction of a food science lab in Arnos Vale and the upgrade to the facility in Langley Park. The very successful "Love Box" initiative

would be build upon as the government explores markets for farmers through the establishment of a “food market stabilisation fund”. The Barrouallie fisheries complex is set to be completed at a cost of \$1.5 million and would be complemented by a fishing development project costing \$1 million.

Infrastructure development such as road repair (approximately 34 stretches of roads), the PAVE program, the continued port development at Rose Place, and the costal defence works at Georgetown, San Souci, Sandy Bay and Shipping Bay, would continue at a total cost in excess of \$84 million. Millions of dollars would be spent upgrading health facilities across the country, increasing the capacity within the Insect Vector Unit, to improve our fight against dengue, the refurbishment of the Milton Cato Memorial Hospital and more resources allocated to the fight against Covid-19. In Education, the government will spend \$14 million on the refurbishment of 13 institutions, \$9.4 million on investment in the area of Technical Vocational Education, \$3 million for the purchasing of additional computers in schools as well as the purchasing of additional tablets for students.

## **Conclusion**

There is so much more contained in the 2021 Budget as delivered by Minister of Finance, Hon. Camillo Gonsalves and no doubt the fine details are contained in the specific presentations of the various ministers, who elaborated further on the work of their respective ministries. The global perspective of budget provided in the presentation offers a very good understanding of the approach this ULP administration is taking towards resource allocation in light of the existing circumstances we face as a nation. A caring government understands that knee-jerk reactions such as lockdowns can only serve to halt production and create unnecessary hardship on Vincentians who would struggle to survive once their means of earning a living is cut off. This government would continue to approach the management of SVG with prudence and enterprise, enduring principles that are applicable even more so now as we face unprecedented challenges.