

**March 8<sup>th</sup> 2019**

## **Excerpts from the 2019 Budget Address: Part Five**

### **Solid Progress continues amidst Challenges**

#### **Introduction**

#### **Job Creation, Poverty Reduction & Social Protection**

The 2019 Budget is a jobs budget. Separate and apart from the hundreds of new posts created for additional teachers, nurses and police officers, among others, this Budget is a catalyst for solid increases in employment across multiple sectors. Creating job opportunities and facilitating the generation of quality employment remain at the heart of our transformative economic agenda.

The latest labour market statistics from the National Insurance Services – which invariably reflect movements in the wider job market – project that the number of active insured employees increased by 1,523 persons from 2017 to 2018. This 4% growth in active insured employees was driven by expansion in the Accommodation, Construction, and Wholesale subsectors. Annual insurable wages also increased by 7.8% to \$21,653 – a \$1,575 rise in 2018.

Job and wage growth are expected to accelerate in the coming years. Our diverse and unprecedented investments in infrastructure will necessitate a large and sustained hiring boom in the construction sector: The US\$100 million geothermal plant construction in North Windward, the US\$50 million hotel construction at Mt. Wynne, the US\$10 million hotel project at Diamond, the US\$145 million port construction project in Kingstown, the US\$34 million in secondary and feeder road construction and the US\$5 million in village footpaths. Cumulatively, these projects far exceed the value of the construction work involved in the Argyle International Airport.

#### **New Employees**

When completed, the hotels, port, and geothermal plant will require new, well-trained employees with diverse skill sets. Private sector investments in the fishing sector, facilitated by the Government, will spur growth in food processing and fishing. The Rainforest Seafoods project alone, promises to directly inject \$20 million annually into the hands of local fisherfolk. Other private sector investments that are in advanced stages of development also promise to be large employers of Vincentians. This include the refurbishment and reopening of the Buccament Bay Resort; the accelerated construction of the Black Sands Resort at Peter's Hope; the expanded operations and build-out of the

Glossy Bay Marina in Canouan; and the opening of the Clear Harbor call centre in Kingstown.

Similarly, the new medicinal cannabis industry promises to generate employment throughout the cultivation and processing value chains. The completion of physical works in the Caribbean Regional Communications Infrastructure Program (CARCIP) project – discussed elsewhere in this Budget Speech – will lay the basis for cheaper, faster, more reliable broadband Internet services throughout Saint Vincent and the Grenadines, which will contribute in myriad ways to attracting new employment opportunities.

The CARCIP project also provides training and funding for entrepreneurs that utilise technology in their business models. CARCIP also provides for ICT training that has reached hundreds of Vincentians. Additionally, various training and employment placement programmes facilitated by the Zero Hunger Trust Fund, as well as longstanding state-run internships, like the Support for Training and Education (SET) programme and the Youth Empowerment Service (YES) programme, continue to provide valuable experience for those just entering the job market.

### **Jobs Abroad**

The Government of Saint Vincent and the Grenadines also continues its efforts to facilitate Vincentians who seek jobs beyond our borders. Regionally, we have been instrumental at the CARICOM level in expanding the categories of Skilled Community Nationals who enjoy the right to seek employment in any CARICOM country, and the elimination of the need for work and residence permits. Correspondingly, we were also instrumental in the adoption of the Protocol on Contingent Rights, which will cover the rights of persons moving to another country as skilled nationals, as well as their spouses and dependents of those who move to another country.

Our Ministries of Foreign Affairs, Tourism and Agriculture have also facilitated growing opportunities for employment in the British military and health sectors, the cruise industry and the Canadian farm work programme. Vincentians are proudly taking their skills to the world, and the Government is a strong partner in furthering the aspirations of the modern, global Vincy worker. For those at home, we continue our commitment to ensure and enhance the opportunities for decent, safe and well-paying jobs. Last year, we continued to establish the administrative framework of the Occupational Safety and Health apparatus, and reduced taxes to ensure that Vincentian workers keep more of the money they earn. Last year's tax initiatives, which cut income taxes and raised the threshold for taxable income, amounted to an effective salary increase, albeit modest, for every single formally-employed Vincentian with an annual income of \$18,000 or more.

### **Salary Increase**

This year marks another step in our quest to materially improve the lives of Vincentian workers. The 2019 Budget contains the assurances of salary increases for public sector workers, which, in the aggregate, will total 4.5% between today and this date next year. In

consultation with the responsible and responsive leadership of various labour unions, we forged an agreement for the following salary enhancement package:

1%, retroactive from 1 July, 2018

1.5%, effective 1 January, 2019

2%, effective 1 January, 2020

As such, public sector workers begin this year with a 2.5% increase over the salary they started with in 2018, not including the usual increments. These increases will cost \$6.94 million in 2019, inclusive of pensions and NIS contributions. Next year, public sector workers will start 2020 with a salary 4.5% over the 2018 baseline. As a labour Government, we will continue to partner with Vincentian workers to enhance their working conditions, minimum wages, salaries and tax obligations within the bounds of prudence and our own economic circumstances. This is a time-honoured and oft proven pledge on which the workers of Saint Vincent and the Grenadines can rely.