

March 15th 2019

**Excerpts from the 2019 Budget address: Part Six
Solid Progress continues amidst Challenges**

Introduction

This year, as part of the Sports Against Crime initiative, a number of sporting facilities will be built or upgraded, and young people will enjoy an exponential increase in the number of community-level sporting activities and events. Further, we hope to conclude negotiations this year for the necessary funding to construct an athletic track for our long-suffering runners, with a 2020 target date for the start of construction.

Vincentian youth, like youth around the world, have been early embracers of the opportunities inherent in the new service economy. This Government is proud and supportive of the young men and women employed in fashion, culture, music and new media fields. We continue to offer them tangible support, as we do the gifted sportspersons who represent our country.

The responsibility of transformation ultimately lies not with the Government, but the youth. We live in a fast-changing world that prizes innovation, adaptability and a willingness to grasp new opportunities and shed outmoded conventions. Nowhere are these skills more present than in the youth. In our 40th year of independence, a generational changing of the guard is taking place across Saint Vincent and the Grenadines. Budget 2019 gives this new generation – who were not born in or have little memory of our pre-independence past – the tools and the opportunities to take our country to higher heights.

FOREIGN DIRECT INVESTMENT

Saint Vincent and the Grenadines continues to be a regional leader in attracting Foreign Direct Investment (FDI). According to the United Nations' Economic Commission on Latin America and the Caribbean, Saint Vincent and the Grenadines averaged US\$122 million in annual foreign direct investment over the five years from 2012 – 2016. Within the OECS, Saint Vincent and the Grenadines average Foreign Direct Investment is second only to that of Antigua and Barbuda over that five-year period.⁵⁰ As a percentage of GDP, Saint Vincent and the Grenadines' performance in attracting inflows of Foreign Direct Investment is consistently among the best in all of Latin America and the Caribbean.⁵¹ In 2018, FDI inflows spiked to \$405 million (US\$150 million) – a \$75 million (US\$28 million) increase over the average of the last five years.

Recent FDI inflows have been dominated by tourism investments, particularly in the Grenadines. On Canouan, the Mandarin Oriental resort and Glossy Bay Marina represent ongoing multimillion dollar investments. On Bequia and Saint Vincent, the construction and expansion of hotels is accelerating. In the telecommunications sector, the rollout of the fiber-optic phase of the CARCIP programme, and the implementation of LTE by Digicel and Flow will contribute significantly to 2019 inflows. Saint Vincent and the Grenadines' Blue Economy is expanding rapidly, with large investments in the fisheries sector expected to commence this year. We will begin to see FDI inflows related to the medicinal cannabis industry, as investors establish cultivation, production and export facilities. Additional investments, particularly within the renewable energy, real estate and services sectors will boost FDI inflows in 2019 and beyond.

The role of the Argyle International Airport as an enabler and accelerant of Foreign Direct Investment cannot be overstated. The direct flights to and from New York, Toronto and Miami, facilitate business travel, tourism investment, and, importantly, exports of Vincentian goods. As the AIA matures, we expect to further leverage its potential to attract and enhance Foreign Direct Investment in Saint Vincent and the Grenadines.

As indispensable as FDI is to national development, it is equally important that Vincentians feel a sense of ownership in all aspects of our progress. Too often, the regional approach has involved a race to the bottom to invite foreigners to acquire more and more patrimony at increasingly attractive terms. This approach includes the sale of land, the sale of resources, and now, even sale of citizenship itself. These unbridled scrambles for foreign dollars create increasingly irreconcilable dualities that cannot always be easily accommodated on our tiny land masses. Further, there is the danger of an ethos taking root that sees progress dependent not on hard work and productivity, but on commoditising and marketing increasingly significant aspects of our nationhood for quick material benefit.

This Government rejects that approach. Make no mistake: foreign direct investment is indispensable and welcome. We aggressively seek and value partnerships with reliable and respectful foreign investors whose profit motives enhance, rather than exploit our natural resources and people. We have been pursuing such investment to increasingly significant effect. However, we remain mindful that all development must be for the national benefit, and for the benefit of nationals.

RENEWAL @40

The 1763 Treaty of Paris represented French recognition of British sovereignty over Saint Vincent and the Grenadines. The indigenous Kalinago and Garifuna challenged that colonial imposition over the course of two wars, fought across 28 years, between 1769 and 1797. The Garifuna were ultimately defeated, and for the next 182 years following the indigenous genocide that ended the so called "Second Carib War," Saint Vincent and the Grenadines was undoubtedly a non-independent colonial territory.

We reacquired our independence in 1979, in the wake of a volcanic eruption and in the face of local opposition that considered Vincentians "safe as sardines" in a colonial

embrace that was at once suffocating and indifferent. In the intervening years, we have proven, time and again, that the resistance, resilience, courage and creativity of the Vincentian people are second to none. We are not better than anybody, but nobody is better than us.

This year marks the 40th anniversary of the reacquisition of Vincentian independence. Our country – and the world – has changed fundamentally over that period. As we prepare to enter our fifth decade of post-independence development, it is an appropriate time to reflect upon the path we have trod, celebrate our accomplishments, and refresh ourselves for the next stage of our independence journey.

Accordingly, in 2019, the Government of Saint Vincent and the Grenadines will launch “Renewal@40,” a wide-ranging and multifaceted programme of reflection and reinvention that ranges from the cultural to the infrastructural.