

May 3rd 2019

**Excerpt from the 2019 Budget Address
Partnership with the Private Sector**

Introduction

No government in the history of the St. Vincent and the Grenadines has been as supportive of the domestic private sector, like the ULP administration. The ULP has introduced a number of business friendly measures, in its 18 years of government, all aimed at promoting and developing the private sector. Below we publish and excerpt from the 2019 budget address of the Minister of Finance, Camillo Gonsalves, in which he sets out the ongoing partnership with the private sector.

Partnership With The Private Sector

Fundamental to the philosophy of this Government is that an active, entrepreneurial State is a positive and necessary actor in the economies of small Caribbean countries. We do not subscribe to the Washington Consensus-orthodoxy of a minimalist state, ceding the delivery of all goods and services to a hypothetical, monolithic, infallible “private sector” that neither exists within the context of our limited markets nor demonstrates a sustained and sufficient willingness to innovate and compete in the interest of the public. We hold fast to the ethos that there is a role for the State to play – albeit circumscribed and prudent – beyond the delivery of a narrow list of public goods. To think otherwise, in small, resource-constrained economies like ours, is to subscribe to an ill-fitting dogma that has no successful precedent in our region.

However, precisely because we see the economy as important enough to require our active participation, we acknowledge an even greater responsibility to actively encourage and facilitate the work of existing businesses, foreign investors, and local entrepreneurs who can contribute meaningfully to national growth and development. That facilitation goes beyond the broader macroeconomic levers that all governments have at their disposal. It extends to sustained, often bespoke efforts to court and assist business growth and establishment within the confines of the law and good practice.

New Business Opportunities

This year, our solicitation and facilitation of new business opportunities will lead to major growth in the Vincentian private sector. In addition to the previously-mentioned hotel investors, we will welcome the establishment of the Clear Harbor call centre in Kingstown, which has concrete plans to hire hundreds of young Vincentians over the next two years.

Rainforest Seafoods⁴⁵ will establish a facility at Calliaqua that will purchase millions of dollars of fish and lobster from local fisherfolk.

The local entrepreneurs behind One Caribbean Airlines, buoyed by the establishment of the AIA and the success of their niche-filling service, will add another aircraft to their fleet.

We rely on local private investors to continue building new apartments to house our growing population of foreign medical students, now numbering over 1,000. We depend on – and have incentivised – the purchase of new vehicles and boats to carry our rapidly-expanding cruise tourists on their excursions. We count on other commercial actors to overcome the challenges of sand importation, so that we can extend our ban on sand mining nationwide. We expect the corporate sector to partner with the Government in the clean-up of Kingstown and the development of Rose Place and its environs in advance of the modern cargo port.

Last year, we reduced corporate income tax to new lows, a trend we hope to advance in coming years. The Government also enjoined the local private sector in our successful battle to ensure that Vincentian traders in Trinidad and Tobago would be able to receive foreign exchange for their Trinidadian earnings. We also commenced discussions with local private sector entities on the optimal use of the old ET Joshua terminal building, and hope for a mutually profitable conclusion to those discussions in 2019.

In October 2018, InvestSVG hosted the five-day Everything Vincy Plus Expo, which attracted 2,500 visitors per day to engage with the 127 exhibitors on site. In addition to strong in-Expo sales, over 30 exhibitors secured new orders – including orders to supply overseas buyers. Others, like 15 of our local fashion designers, were invited to display their products in overseas markets.

This year, in addition to expanding and improving the Expo, InvestSVG will host an investment forum to provide more information on the opportunities and incentives available in Saint Vincent and the Grenadines.

Within the Ministry of Finance, a Doing Business Unit will be established to address not only the indicators that contribute to the World Bank's theoretical *Ease of Doing Business Index*, but the more practical impediments to actual business establishment and operation in Saint Vincent and the Grenadines.

The health of the Vincentian economy is directly and causally connected to the health of our private sector. We view the private sector as partners in, and drivers of, employment, growth and development. Budget 2019 is replete with initiatives that provide both direct and indirect benefits to the Vincentian private sector. These include Renewal @40, the modernisation of customs procedures to facilitate quicker times to clear shipments, technical innovations to NIS and the Inland Revenue Department, new crime fighting tools and initiatives, measures to facilitate an influx of additional tourists, enhancement of operations at the Argyle International Airport, renewable energy initiatives to make the cost of energy cheaper and more predictable, enhancements to our road and ICT

infrastructure, and initiatives in fisheries and agriculture, including the launching of the medicinal cannabis industry.

Preliminary data from the National Insurance Services indicate that the number of Active Employers has rebounded to exceed pre-crisis levels, and is 24% higher than the Active Employers on record in 2000. We fully expect our talented and entrepreneurial private sector to take advantage of the promising opportunities in the Vincentian economy and the initiatives in Budget 2019 to record further growth in the medium term.