

February 11<sup>th</sup> 2022

**PRIVATE SECTOR, INVESTMENT, INNOVATION  
ENTREPRENEURSHIP**

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*Excerpt from the 2022 Budget Presentation of Minister of Finance, Hon. Camillo Gonsalves*

**Introduction**

As we continue to examine some of the initiatives of the government for the 2022 fiscal year outlined in the Estimates of Revenue and Expenditures 2022, our focus is on the private sector and specifically the policies that are intended to foster growth. Minister of Finance Hon Camillo Gonsalves addressed the many challenges faced by the private sector during the challenging 2021 fiscal year that saw very little economic growth, but at the same time commended the stakeholders for their resilience in weathering the storms that threatened their very existence. There was support offered to the private sector, both through the introduction of the PRYME program, but also through the negotiations with financial institutions to provide a moratorium on loans to businesses. Building on the support provided to the private sector during the last year, the governments will continue to facilitate private sector growth and expansion through targeted interventions that will encourage local and foreign investments. The statement of the Honorable Minister of Finance outlining how the government intends to support private sector development over the 2022 fiscal year follows:

“In 2022, the Government will establish a Business Recovery Task Force within the Ministry of Finance that will lead the process of consultation, data collection and enhancement of existing supports to the private sector. Specifically, the Task Force will provide online resources for businesses; assist in the identification of funding support for entrepreneurs and small or medium enterprises; identify sector-specific workforce retention and development needs; and address other structural barriers to business recovery. The work of the Task Force will overlap with that of the previously-established Ease of Doing Business Unit to help facilitate as robust a recovery as possible.

“As the heart of economic activity in the country, our capital city of Kingstown will play an outsized role in national recovery efforts. The Government will seek to safely and sustainably reinvigorate commercial activity in Kingstown. Part of this effort will involve restarting the clean-up activities that were delayed due to concerns about moving vendors into enclosed areas during the height of the Pandemic. The Government will also invest \$276,000 into creating standardised outdoor vending kiosks that will improve the orderliness and attractiveness of the visually chaotic pallet-wood stalls that cover our city streets. We believe that, in

establishing the broad parameters for improved order and ambiance in Kingstown, we can safely increase foot traffic and improve economic activity for locals and visitors alike.

“In recent years, Invest SVG has played a role in attracting or facilitating a number of major investments that are currently being implemented across Saint Vincent and the Grenadines. At the moment, Invest SVG is leading our national participation at the World Expo in Dubai, which has already led to visits by major potential investors. With support of Compete Caribbean, and as part of a wider institutional strengthening initiative, we are in the process of drafting a fresh Investment Act and Investment Policy. The strengthened legislative footing will better position Invest SVG to attract and service potential foreign investors, while playing an enhanced role in improving the business and innovation climate. Budget 2022 also allocates resources to relocate the offices of Invest SVG from its maze of cubicles within the Ministry of Finance to its own building, a stone’s throw from the Argyle International Airport. Foreign Direct Investors will meet our investment professionals within moments of landing at AIA.

“Small and Medium Enterprises, entrepreneurs and start-ups can look forward to increased support in 2022 from the Eastern Caribbean Partial Credit Guarantee Corporation (ECPCGC).<sup>53</sup> After reluctance by some financial institutions to embrace this regional initiative, local banks and credit unions have signed on to participate, and will receive training on delivering this product to local businesses. Under this initiative, small businesses and entrepreneurs that apply for financing at banks can have a significant portion of their loan guaranteed by the ECPCGC. This guarantee will make such entrepreneurial loans less risky for lending institutions, and thus make credit more readily-available to the private sector.

“The PRYME programme has already provided grant financing of over \$6 million to small entrepreneurs, primarily youth. Over 1,500 individuals have been board-approved for PRYME grants, the majority of whom have already received the tools, supplies and equipment necessary to launch or expand their business. Success stories abound. But PRYME is more than the sum of its individual recipients – its real success is in helping to foster a vibrant culture of entrepreneurship in Saint Vincent and the Grenadines, and in reducing the risk of entry for young people who have a dream and a plan, but lack financing.

“In Budget 2022, \$1.4 million is allocated to assist another cohort of young entrepreneurs. In addition to grant financing to an estimated 150 entrepreneurs, the programme will begin construction of a second PRYME Community Business Park, which provides a physical space at low cost for young entrepreneurs to offer services from a location in the heart of their community.

“The Government will also seek to ensure that all businesses are operating on a common, level playing field, regarding compliance with tax and customs laws. We have been advised that too many businesses are skirting their legal responsibilities, and thus operating with an unfair and illegal advantage relative to their competitors. Indeed, some businesses have calculated that – in the unlikely event that they are caught misleading customs officials or withholding VAT and PAYE payments – the punishment is not sufficient to deter ongoing illegality. We have heard clearly the complaints of our law-abiding businesspersons, who make up the overwhelming majority of the private sector. In 2022 we will improve enforcement and adjust penalties to ensure that there is no advantage that can be reliably gained from dishonesty at the port or in the tax office.”