



**STATEMENT BY  
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MINISTER OF FINANCE, ECONOMY, PLANNING, ENERGY AND CO-OPERATIVES  
AT THE LAUNCH  
OF THE GRENADA CHAPTER OF THE CARIBBEAN GROWTH FORUM  
GRENADA TRADE CENTRE  
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Salutations

***The Global Quest for Growth and Jobs***

Four years after the start of the Great Recession, politicians, policymakers, priests and people, the world over, share a common quest. What is this quest? Accelerating economic growth and creating jobs.

Without a doubt, the greatest macro-economic challenge facing the global economy today is economic growth. And without fear of contradiction, I believe that the greatest socio-economic challenge is employment creation.

During the Great Recession, the International Labour Organisation (ILO) reports that a staggering 50 million jobs have been lost during the Great Recession. In America alone, 8.8 million jobs have been lost from January 2008 to November 2012. For that same period, only 4.7 million jobs have been added – a net loss of 4.1 million jobs notwithstanding the billions of dollars spent in stimulus.

Large deficits and high debt burdens are forcing many countries, advanced and developing, large and small, to cut back as they attempt to restore fiscal and debt sustainability. On this point, however, I issue a strong word of concern – we cannot ignore the jobs deficit.

According to the ILO, 75 million youth are looking for work and cannot find work – a youth unemployment rate of 40 percent. Sadly, these sobering statistics are mirrored in the Caribbean.

For that reason, I fully concur with the sentiments expressed by the former Managing Director of the IMF in 2010 when he remarked and I quote ***“the greatest threat to fiscal sustainability is low growth”***. End of quote.

I assumed the role of Minister of Finance in July 2008 on the cusp of the Great Recession, the worst since the 1930s. From the outset, I have challenged our development partners especially the IMF and World Bank Group to craft appropriate policy responses to the pervasive problems of low growth, high unemployment, high debt and economic stagnation plaguing our region. I have repeated said, we are not here to simply manage poverty. We want to eliminate poverty.

To be fair, the IMF and the World Bank have attempted to respond to the global crisis with financial and technical support for stabilization. For that, we express our appreciation. However, they have been less forthcoming on the question of elevating growth and reducing debt in the Eastern Caribbean Currency Union.

That said, we know that they have been thinking deeply about these issues and their desire to be helpful is not in question. Indeed, the initiative of the Caribbean Growth Forum is testament to their commitment to work with us to overcome our challenges.

### ***Recent Efforts by Grenada to Achieve Economic Growth***

Ladies and Gentlemen, we in Government have not stood idly by or sat on hands during this difficult period. On the contrary, we have been very active. Indeed, the Government of Grenada has made significant strides in laying a solid foundation for sustained economic growth and prosperity.

First, we have articulated a clear and compelling vision for Grenada's economic transformation. In this regard, we identified five pillars or drivers of growth for a new and modern economy. These are:

- Tourism and Hospitality
- Health, Wellness and Education Services
- Energy Development (renewable and non-renewable)
- Agribusiness; and
- Information Communications Technology

In respect of Tourism, we welcome the recent addition of the Sandals Group to Grenada's tourism plant. As a consequence, we expect Grenada will receive significant and additional marketing exposure and improved airlift.

In respect of Health, Wellness and Education Services, I must inform you that we are proceeding with plans for the New Hospital.

In respect of Energy, having signed a joint cooperation agreement with Trinidad and Tobago, we are now pursuing a joint development zone agreement. This agreement will pave the way for joint exploration and eventual exploitation of hydrocarbons.

In terms of ICT, we welcome the partnership recently announced by St. George's University and Toon Boom to create an animation industry in Grenada. Our youth should find significant economic opportunities there.

In support these investments and others which I have not mentioned, Government has implemented key reforms and I take this opportunity to highlight a few:

#### **In respect of Enhanced revenue collection**

- i. We have simplified the tax system with the introduction of a VAT and Excise Tax in February 2010.
- ii. We are now delivering faster clearance times and faster revenue collection with the introduction of ASYCUDA World in April 2012 at the Customs;

#### **In respect of expenditure and debt management**

- i. We completed an HR Audit of four (4) Ministries and Departments with a grant from the World Bank.
- ii. We have developed a Debt Management Strategy
- iii. We have launched an expenditure/waste reduction campaign targeting international travel, electricity, telecommunications, water, office supplies and fuel & petrol.

#### **In respect of enhancing the business climate, Government has**

- i. Established a Companies and Intellectual Property Office with its own Registrar
- ii. Reformed the Deeds and Lands Registry including digitization of all records under a World Bank project with technical support from UWI
- iii. Enacted the Investment Promotion Act of 2009
- iv. Approved a new Investment Generation Strategy in 2011

**In respect of poverty reduction and safety nets, Government has**

- i. Completed a Country Poverty Assessment with assistance from the in 2009 and substantially completed a Growth and Poverty Reduction Strategy for 2013 – 2017, with support from CDB
- ii. Completed a review of Grenada’s safety net programmes in 2009 and implemented a consolidated cash transfer programme this year

**In respect of the Financial Sector, Government**

- i. Enacted a new Insurance Act in 2010 and a new Cooperatives Act in 2011.
- ii. As a member of the ECCU, we continue to work to resolve the BAICO and CLICO issues. To that end, I am pleased to note that \$5.3 million dollars were paid to 648 Grenadian policyholders last week under Phase I of the ECCU Policyholders Relief Programme.

Ladies and Gentlemen, we cannot overstate the sheer scope of the foregoing reforms or the fact that they have been implemented in a particularly difficult external environment. That notwithstanding, our Government has had the courage to do the right things and remain confident that they will serve Grenada well for many years to come.

***Expectations for the Caribbean Growth Forum***

Today, Grenada welcomes the launch of the Grenada chapter of the Caribbean Growth Forum. We eagerly anticipate its contribution to the current national and international conversation about economic growth and jobs.

Having identified the new drivers of growth for Grenada, we will be listening for ideas on how the linkages among these growth drivers can be strengthened to create a virtuous circle of economic activity and to lock in a period of sustained economic growth.

We fully expect the working groups to consider how the enablers of Investment Climate, Logistics and Connectivity and Skills and Productivity can help propel these growth drivers. Above all, we expect action.

Now more than ever, we must approach our task with a heightened sense of urgency and a strong inclination to act, together, for the good of our beautiful Country.

**Conclusion**

In conclusion, I wish to thank our development partners and everyone, here gathered, for your presence and participation at this Forum. May our deliberations be fruitful and our actions swift, as we forge a path for the transformation of the Grenadian economy.

I thank you.

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