



Public wage bill must be Settled, says Prime Minister Mitchell

ST. GEORGE'S, GRENADA, Thursday, October 31, 2013 - GIS: Grenada can lose more than 100 million US dollars in financial support if the wage bill component of the incoming home grown structural adjustment programme is not settled, Prime Minister Dr. Keith Mitchell has said.

Government and the trade unions have been holding consultations on the issue of the public wage bill and Prime Minister Mitchell says it hinges on the success or failure of the adjustment programme.

“The wage bill is the single largest government expenditure,” said Prime Minister Mitchell in a national address Wednesday night.

“If this issue is not settled, the home-grown programme will be jeopardized, which means that Grenada will lose the financial resources of more than US\$100 million to support Grenada's recovery and job creation”.

New measures in the programme, which include a lowering of the Income tax threshold, are expected to be introduced in January.

Last month, the Government wrote to all unions requesting that salaries for public officers for the period 2013 to 2016 be settled in time for the presentation of the 2014 Budget in December of this year.

Government has also made an offer of modest increases to all unions.

“Government cannot proceed with significant wage increases and fringe benefits at the same time it is seeking significant debt relief from creditors, and significant financial resources from countries which are themselves facing their own economic challenges,” Dr. Mitchell said.

“Let me reiterate, the success or failure of the home-grown programme is directly linked to the issue of the Government wage bill. We must settle this issue very soon so we can finalise the home-grown programme and the 2014 Budget”.

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