



**National Address by
Dr. the Rt. Hon. Keith Mitchell
Prime Minister of Grenada
March 31, 2021**

Fellow Grenadians, as we come to the end of March 2021, it is important for us to take stock of the challenges and successes of the past year, most of which we have spent dealing with the impact of the COVID-19 pandemic.

When the decision was made to implement a national lockdown to protect our borders and our people, no one could have envisaged that a year later, we would still be wearing masks and having to adhere to the various recommended protocols.

The COVID-19 pandemic has had a long, unprecedented and almost immeasurable impact on the entire world – from its unimaginable health and psycho-social implications to the reversal of economic growth. Here in Grenada, we must acknowledge how fortunate we are, not to have faced, so far, a true health crisis on the scale that some of our closest neighbours are now grappling with. Sadly though, the fact that we have managed so well, has created a sense of complacency among some of our people, a situation that can have dire consequences for the entire population.

The latest daily COVID-19 dashboard produced by the Ministry of Health, shows that we currently have one active case, which is import related. Nevertheless, there is cause for concern since it has been identified as the UK variant, which health experts say is deadlier and more transmissible.

Sisters and brothers, with the exception of the December 2020 cluster, we have been consistently able to identify COVID-19 cases among arriving travellers, due to our stringent entry protocols, and that speaks volumes for the efficacy of that approach. Through the continued dedication of our frontline workers, we will maintain that approach to safeguard the people of this country.

Government, through initiatives led by the Ministry of Health, the COVID Sub-Committee and the Cabinet, will continue to spearhead the fight against COVID-19, but we must acknowledge our individual responsibility to protect ourselves and each other. This is not the time to engage in actions that could jeopardise public health and undermine all the successes recorded in the management of the pandemic locally. We have come too far for that. Too many of our fellowmen and women have had to cope with the harsh impact of the pandemic, for us to do anything that would prolong this period of suffering.

My friends, our country is being highly recognised at the regional and international levels for its astute management of the health crisis. Just recently, the United States Centres for Disease Control and Prevention, ranked Grenada at its lowest travel risk rating - Level One, making it one of a few countries in the Caribbean to have that ranking. However, we cannot rest on our laurels, we must continue to maintain the recommended protocols, and all of us, as citizens of this country, have an important role to play in this regard – all of us, from captain, down to cook.

As Prime Minister, I am particularly aware of this responsibility and I try my best to lead by example. I abide by the law, by consistently adhering to the recommended protocols. Though difficult and contrary to my love for people and my usual social interaction, I have adjusted my lifestyle to refrain from large social gatherings. This in itself is painful for me, but we must all recognise the need for personal sacrifices as part of this ongoing fight against COVID-19. The sacrifices we make now will help to ensure that our country is not sidelined on the path to recovery. In other words my friends, we should be prepared to make the sacrifices today that will ensure a safer tomorrow.

I encourage one and all to do their part in this ongoing fight. I call on church and community leaders, trade union leaders, business leaders, all influential persons in our society, we have a duty and a responsibility to lead by example, to encourage appropriate actions among those who look to us for guidance. Let us do the right thing for our people and for our country; let us safeguard our future amidst the many uncertainties in the current global environment.

Sisters and brothers, the successes recorded as a country, are only possible because of our collective commitment as a people, to following the recommended protocols. We must continue to work together to keep our country, ourselves and our fellow brothers and sisters safe. The pandemic must be at the centre of all that we do; we should not conveniently separate our actions or a specific cause, from its potential impact as far as this health crisis is concerned. We must remain mindful that although our COVID-19 management plan has been relatively successful, all it takes is for a few, or even one undetected case to create far-reaching consequences for our society. Just this week, the Commissioner of Police confirmed the rise in the number of illegal immigrants detected in Grenada. This is quite alarming, particularly when we consider the potential health implications. Therefore, safety must be our number one priority at all times.

My friends, as leader of this country, and as a citizen, it pains me to see that some of our teachers and the leadership of the Grenada Union of Teachers, feel the need to engage in protest action in the middle of a global health crisis and during a State of Emergency, and breaking the laws of the land while doing so. Government has repeatedly reaffirmed that the 4% increase is rightly due to public officers, but what we are saying is that we cannot afford to pay now.

Let us stop for a minute and reflect – remember, this is the same Government that in past contract cycles, has negotiated in good faith, pushing for timely agreement with trade unions so that public officers can receive their increases on time and not long after they were due. This is the same Government that concluded negotiations with the trade unions in November 2019, agreeing to a 4% hike for each year for the period, 2020 to 2022; promptly started the payments in January 2020, and continued to pay the increases throughout 2020, despite the sharp decline in revenue for most of the year. This is the same Government that paid all public officers their

salaries and allowances, in full and on time during the early stages of the pandemic, when most public officers, including teachers were at home. However, the inescapable reality now is that the significant shortfall in revenue caused by the pandemic, has necessitated tighter controls on Government's expenditure on recurrent budget items such as wages and salaries.

By the same token, it is true that Government has incurred significant additional expenses in recent months, some brought about by the fallout from the pandemic and the need to provide support to various sectors of the economy and some, such as the repurchasing of GRENLEC shares which was necessitated by an arbitration ruling that required action within a stipulated time, failing which the entire country could have been adversely affected. Did you know that failure to honour the arbitration ruling could have led to action being taken to put a hold on all Government's money? Had this been allowed to happen, Government services and spending would have been disrupted, even the monthly payment of salaries to public officers. It was the decisive action of Government to repurchase the shares that avoided this possible interruption in its operations.

Sisters and brothers, what must be understood here, is the distinct difference between recurrent and capital expenditure. Recurrent or continuing expenditure includes wages and utility bills which are paid from revenue generated within the current fiscal year. The capital side of the budget provides for expenditure on development projects, asset acquisition or other such initiative that represents an investment and fosters development. The responsible fiscal management policies adopted and maintained by this Government, prevents us from using money allocated in the annual budget for capital expenditure, on recurrent expenses. Failure to abide by this will jeopardise millions of dollars in additional funding that Grenada can receive from donor agencies and development partners. In 2020, Grenada benefited from \$133 million in financing support and debt relief from the International Monetary Fund, World Bank, G20, Caribbean Development Bank and the Eastern Caribbean Central Bank. So far, this year, we have been able to attract \$78 million in external support.

These sums have helped to facilitate the additional spending Government has incurred in providing relief to some sectors, purchasing the necessary protective gear for frontline workers, investing in the educational infrastructure to ensure our young people are not left behind, and creating a safer environment in schools, among other areas. Expenditure continues to exceed revenue collection, therefore Government must continue to aggressively mobilise additional resources to meet expenditure demands in 2021. I ask this, are we willing to sacrifice the desires of a few when the future of an entire population is at stake?

The reality of our current fiscal situation is this – the financial implications of the pandemic caused a revenue shortfall of \$96.6 million in 2020, with revenue collection in some months, decreasing by as much as 50%, when compared to the same period in 2019. Although the economy is slowly recovering, revenue collection is still below projected numbers and far lower than what was generated in 2019, when the agreement with the trade unions was signed. Statistics from the Ministry of Finance show a continued variation in revenue collection. In January and February this year, Government collected \$30.1 million less than it did in the same period in 2020. We are optimistic about continued recovery, but the fact remains that the revenue shortfall considerably affects the money that is available for recurrent expenditure. For the avoidance of doubt, this revenue, collected monthly, is the source of funds for the wages and salaries of public officers.

The overriding message here is that we must, at all costs, protect the future of this country. Any actions that undermine the economic stability we have sacrificed long and hard to achieve, would nullify those very sacrifices and jeopardise the future of this country and our children and grand-children.

Sisters and brothers, what must be pointed out as well, is that the projection for growth in 2021 is 6% but this will not take us back to pre-COVID levels of real growth. In 2020, the country experienced negative growth of 12.2%. The reality is, it will take two to three years for our GDP to recover from the significant level of output loss experienced in 2020. That said, we remain guardedly optimistic that the recovery process will continue and the rate of recovery will improve.

Therefore tonight, I say to you in all honesty, and here I speak specifically to public officers, there is no question of if Government will pay the 4% increase. Our track record in this regard, speaks for itself. It is rather interesting that some of the same individuals who are calling on Government to pay the 4% now, did nothing to advance the cause of public officers, when they had the opportunity to do so. That aside, my message to all public officers is this - you are entitled to your increase and you will be paid your increase, but let's be realistic, thousands of your sisters and brothers forced into unemployment by the pandemic and left without an income, are also looking to Government for much-needed help to survive this crisis. Your elderly relatives, our treasured senior citizens, still require help buying their medication; your sons and daughters still rely on Government scholarships to continue their quest for higher education.

Public officers, we recognise and appreciate your many sacrifices, you represent the backbone of Government's operations, but at the same time, this is a Government for all people, and we take seriously our responsibility to look after the needs of all our people. Should we ignore the needs of the thousands of taxi-drivers, vendors, hotel workers and others whose livelihoods are linked to the tourism sector? Should we ignore the desperate needs of the road workers who, three months into the year, have not yet earned a single dollar? Should we allow the international airport to close, removing one of the sources of Government revenue, eliminating a critical export avenue for fishers and farmers, and cutting off our link to the world? Any responsible, conscientious Government will find a way to balance its many responsibilities and that is exactly what this Government is doing, trying to ensure that none of our citizens are disenfranchised while we safeguard the future of our beloved country.

Notwithstanding the current challenges, my dear sisters and brothers, I am confident that we will get past this; life will regain a sense of normalcy, livelihoods endangered by the pandemic will restart, and our economy will resume its trajectory of growth.

The signs are there – St. George's University, which represents about 25% of our GDP, is looking to resume on-campus operations later this year. This by itself, will have a positive domino effect on various sectors of the economy, including farmers, fishers, supermarkets and the general retail sector as well as the accommodation sector. SGU is currently engaged in several expansion and re-development projects as it continues to play a key role in meeting the increased global demand for physicians.

Additionally, several hotels are on course to re-open in the coming months. In fact, Sandals Grenada, resumed operations today, with close to 400 of its staff, back on the job. Government continues to invest heavily in its Public Sector Investment Programme, creating hundreds of

jobs and spurring development in the country. Similarly, there continues to be a significant level of investor confidence in the local economy, manifested through the several construction projects which are underway, and which are also creating tremendous job opportunities for our people.

One year after Grenada recorded its first COVID-19 case, the big question is, how do we get past this stumbling block? How do we begin to recover from the devastating impact of a pandemic that is still unfolding? How do we reactivate our economy? How do we get our people back to work? How do we resume the level of social activity that is so much a part of the Grenadian tradition? How do we lighten Government's load and enable it to honour its outstanding commitment to public officers? Multiple questions, legitimate questions, all pointing to a single solution.

To successfully get to the post-COVID chapter, we must get vaccinated. The experts call it herd immunity and it is only by getting a significant portion of our population vaccinated that we will be able to achieve it. I have done my part, I have already received my first dose of the vaccine and in another few weeks, based on revised guidance from the World Health Organisation on the timing of second doses, I will receive the second dose.

Vaccination holds the key to any possible return to life as we knew it. If we fail to get on board, we run the risk of being left behind as the rest of the world goes back to normal. Some countries are already identifying vaccination as an entry requirement for visitors; some airlines are making vaccination mandatory for travelers and as the cruise industry prepares to set sail again, some cruise lines are already outlining vaccination requirements for both passengers and crew. Therefore, as our entertainers prepare to resume international appearances and as our cruise ship workers prepare to head back to work, they will have to be vaccinated. And for those who engage in travel for leisure or even medical purposes, you will face similar requirements, therefore you ought to start making preparations by getting vaccinated today.

Here in Grenada, to help protect our frontline workers, all accommodation facilities providing quarantine for inbound travelers, will be required to have all staff vaccinated soon. A few short months ago, we saw how rapidly the case numbers rose when employees at one hotel contracted the disease. With deadlier variants of the Coronavirus now in circulation around the world, we must take all the necessary measures to protect our people but at the same time, allow them to continue their livelihoods.

I therefore encourage everyone who meets the eligibility criteria to get vaccinated. Despite the heavy global demand for COVID-19 vaccines, Government has obtained 23,000 doses of AstraZeneca, a good start as we seek to vaccinate at least 60% of the adult population. My friends, in closing, I urge you to protect yourself, protect your loved ones, protect your neighbours, protect your country. We are all in this together, therefore we must all work together to safeguard our people, our country, our future.

As we approach the holiday weekend, I wish everyone a Happy Easter. As you partake in activities to celebrate this religious observance, remember to adhere to the recommended protocols - wear your masks, wash your hands or sanitise frequently and do not engage in large social gatherings. Stay safe my friends. I thank you.