



BUDGET DEBATE
2013

Restoring **Hope**,
Expanding
Opportunities

DR. THE HON. PETER PHILLIPS, MP
MINISTER OF FINANCE & PLANNING

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GORDON HOUSE

INTRODUCTION

- Mr. Speaker, I believe that my presence in this Honourable House is an expression of the confidence of my constituents in East Central St Andrew to represent their best interest. For five successive elections they have returned me as their Member of Parliament. In the lonely moments that come with this job, they have always been there for me and have never failed to give unreservedly of their love and support. I thank them wholeheartedly for this support.
- As a member of the team, led by the Most Honourable Portia Simpson Miller, let me pay a well-deserved tribute for her leadership. I further want to thank her for her continued confidence in my ability to lead the Ministry of Finance and Planning at this critical time.
- I must also place on record my appreciation for the support of my team in the ministry - my colleague, Minister Horace Dalley, who shares with me the responsibilities of an extremely demanding Ministry. He is to be commended for the leadership he brought to securing the agreement with the public sector unions in support of the economic programme. This agreement with the public sector unions was critical in meeting one of the prior action requirements towards securing an IMF agreement. *"Nuff Respect is due to him"*.
- During the year under review, Dr. Wesley Hughes demitted office as Financial Secretary and moved on to take up responsibility as head of the PetroCaribe Fund. In thanking him for his service as Financial Secretary, we are confident that he will carry to his new post the capacity and integrity that has characterised his years of public service. He has been succeeded as Financial Secretary by Mr. Devon Rowe who brings to the position years of experience at the highest levels of the Public Sector. Already he has demonstrated his ability to make a positive impact as the administrative head of the Ministry of Finance and Planning.

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- I must again place on record my appreciation to the staff of the Ministry of Finance and Planning for their unwavering and professional support; and to my personal staff for their patience and commitment, particularly in those difficult moments which come with the territory.
- I would also like to recognize the contribution of the staff in the departments and agencies which underpin the work of the Ministry. In particular, I would also like to recognize the contribution of the Governor of the Bank of Jamaica, the Financial Secretary and the Director General of the Planning Institute of Jamaica (PIOJ) along with the members of my advisory group, the Hon. Shirley Tyndall, Mr. Dennis Morrison and Mr. Colin Bullock for their role in bringing the IMF negotiations to successful conclusion.
- During the year, Dr. Gladstone Hutchinson who was on secondment from Lafayette College in Pennsylvania completed his three year assignment as Director General of the PIOJ. I would like to place on record our appreciation for his outstanding service. He has been replaced by Mr. Colin Bullock, a distinguished former Deputy Governor of the Central Bank and a former Financial Secretary who we are confident will give the leadership and direction required to enhance the planning capacity of the institution.
- Mr. Speaker, I want to say just how much I appreciate the notes, telephone calls, letters, text messages and especially the prayers and expressions of goodwill from thousands of Jamaicans from all walks of life who have sought to reach out to me. They help to *"restore my soul"*.
- Finally, let me use this opportunity to thank my wife whose caring, advice, and love has enabled me to survive the daily rigors of public life, and my children for their unconditional support, always.

YEAR OF DECISION

- Mr. Speaker, the last fiscal year, 2012/13 will be remembered as Jamaica's year of decision, when as Jamaicans we collectively decided that we were going to fundamentally change the economic direction of our country and definitively chart a course to reduce the burden of the public debt which had become the single greatest barrier to the nation's progress.

- We should never forget the state of affairs that made this decision one on which our very survival as a country rested. In January 2012 when this administration came to office:
 - The debt which had been on a downward trajectory in 2007 and was at 107 per cent of the GDP, had climbed to 130% by the end of 2011;
 - We had experienced three successive years of negative growth, in 2008 it was - 0.8%, in 2009 it was -3.5% and in 2010 it was -1.5%; and,
 - Poverty levels had doubled from 9.9% in 2007 to over 18% in 2011.

- But to cap it all, the 27-month Standby Agreement which had been signed in 2010 with the International Monetary Fund (IMF) was effectively abandoned after just one year and with the majority of the deadlines and the structural benchmarks being breached. The debt reduction pathway that had been identified in the IMF Programme was moving in the opposite direction. The primary surplus, when we entered office was 3.1 per cent against the adjusted IMF programme target of 5.2 percent.

- Jamaica was denied access to inflows of resources from international and multilateral financial institutions as a consequence of the collapse of the IMF Programme.

- Let me remind the House that against this background, we took the decision to begin negotiations with the Fund and to raise the primary surplus thus returning the country to an effective path of debt reduction.

- The **year of decision**, Mr. Speaker, was one in which the government and the people of Jamaica united around a common cause that restored hope to a society that was drifting into a sea of hopelessness and despair. This Administration, this country and this Parliament will forever be indebted to the tens of thousands of public sector workers who willingly and without duress signed-on to the programme of wage restraint in order to facilitate the economic rebalancing of the country and in order to service the debt. Mr. Speaker, I do not think it is appreciated or widely known that all of us as members of this Honourable House and as members of the Government will be bound by the same provisions as the rest of the Public Sector. We are subject to the same restraints.
- Finally, Mr. Speaker, I want to pay tribute to the Bondholders, including most significantly, the pensioners who participated in the national debt exchange programme.
- These have been difficult decisions. Raising the primary surplus from 3.1 per cent as it was in 2012 to 7.5 per cent as it is in the present Budget, has involved great effort on the part of all of us. It has required two significant tax packages. But Mr. Speaker, to their eternal credit the Jamaican people stepped up to these challenges.

WHY IS DEBT REDUCTION SO IMPORTANT?

- Mr. Speaker, I have said that the most important challenge that faces us now as a country is to reduce the debt as a share of the GDP. Why is this so? First of all it is because the need to repay the debt diverts money away from the necessary investments in development.
- Last fiscal year, debt servicing amounted to J\$325.9B or 54% of the budget. This was by far the largest allocation in the budget and it diverted resources from critical sectors such as health, education, road infrastructure, etc. This year, the results of our efforts on debt reduction are evident in the reduction of our debt servicing costs by 30.9% from J\$325.9B to \$225.2B and as a percentage of the budget from 54% to 43%. It is this reduction in the debt servicing costs that has enabled us, even in this difficult year, to

allocate badly needed financial resources to social services and for the protection of the poor and most vulnerable in our society.

- Mr. Speaker, another consequence of the debt burden is that when, as is our case, it reaches exorbitant levels a country is increasingly denied access to international capital markets at reasonable rates. In today's world in the same way that a banker only lends to those assessed with having the ability to repay; similarly a country which seems unlikely to be able to repay will not get access to loans. So let me remind this House that highly indebted countries are not only denied access to international capital markets, but to local capital markets as well, unless they are willing to pay exorbitant rates of interest.
- I said last year and I will repeat, if we are going to enable future generations to realise their dreams and aspirations and to fulfil the vision of the founding fathers and mothers, we have a responsibility to reduce the burden of the public debt. Unless we do this we will have forfeited the dreams of past and future generations.

IMF PROGRAMME – ECONOMIC REFORM

- The Budget which we are debating today has been cast in the context of an agreed four Year Extended Fund Facility with the IMF. It is well known that following the staff level agreement arrived at in February; there was a delay in going to the Executive Board because of the request from the Fund to have discussions with some of the multilateral institutions, especially the Inter-American Development Bank (IDB) and the World Bank.
- While there can be no doubt that the delay certainly had a negative impact on confidence in Jamaica, the end result was nevertheless that additional resources will be provided by the Fund, the IDB and the World Bank. The IMF increased its commitment from 175% of quota to 225% of quota or approximately US\$958M, an increase of US\$200M. Simultaneously, the IDB and the World Bank have confirmed a minimum commitment of slightly more than US\$1B.

- I have stated before that the economic reform programme, of which the Extended Fund Facility, forms a part is not the Fund's programme. It is Jamaica's programme which we need to embark on in order to correct the imbalances which have been a feature of our economic environment for a number of years.
- It may be that, left to ourselves, there are areas of the Fund programme that we would have cast differently, but we had no such options. In our circumstances, we acted in a manner that left no doubt about our resolve to:
 - reduce the debt;
 - reduce the debt to GDP ratio; and,
 - secure the conditions most conducive to economic growth and job creation.
- The fact of the matter is that without the IMF seal of approval we would not regain access to either multilateral financing or financing at favourable terms from the private financial markets. I want to also assure this Honourable House that it is the best agreement we could get on behalf of the Jamaican people. Ironically, even though we were negotiating for the best programme possible, there were voices here in Jamaica which were saying "*sign at any cost*"; **WE DISAGREED WITH THEM THEN, AND WE DISAGREE WITH THEM NOW.**
- To those who have argued against the austerity in the programme and who suggest that we should be expanding expenditure, let me say that this is an exercise in futility. How would we finance this deficit expenditure? The fact of the matter is, we can borrow only to the extent that there are people who will lend us money – both domestic and foreign creditors presently deem our debt level to be too high.

- Mr. Speaker, there is another set of views which we need to address directly; that is, those who say we should have no IMF programme at all. **THIS IS ALSO A MISTAKEN VIEW.**

- What would be the consequences here?
 1. The immediate effect of not having an IMF programme would be the total absence of external financing which would be compounded by capital flight;
 2. The end result would be deeper economic contraction affecting mostly those who can least afford it;
 3. Worsening poverty especially among the most vulnerable and disadvantaged segments of our population; and,
 4. Sharper cuts to the Budget resulting in significant reductions in the availability of public goods and services such as Healthcare and Education which would again affect the poorest Jamaicans.

- All of this, not to mention the fact that the sacrifices which have been made by the workers and bondholders under the National Debt Exchange Programme (NDX), would be in vain.

- The majority of the Jamaican people do not believe in these illusions. The Jamaican people by their sacrifice are saying we need to buckle down and make a success of the implementation of the programme. In due course after the Board's consideration, we will present details of the Letter of Intent to this Honourable House.

- Nevertheless, the objectives are well known:

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- One of the central objectives is to reduce the debt to GDP ratio, which is in the region of 140 per cent (using the IMF estimates), to 95 per cent of GDP by 2020;
- Reduce public sector wages as a share of GDP to 9 per cent by 2015-16;
- Achieve the quarterly quantitative performance targets; and,
- Undertake important structural reforms, these include:
 - o *Implementation of a Central Treasury Management System; and,*
 - o *strengthening of the tax administration and fiscal responsibility frameworks;*
- The ultimate objective of the entire reform agenda is to reverse the long term trend of low growth and declining productivity which has come to characterize the Jamaican economy.
- The challenge for us as a government, with the support of the Jamaican people is to go beyond the strict confines of the Extended Fund Facility to:
 - create an economic and social environment which encourages and facilitates investment and induces long term innovation and productivity gains. This would mean, for example, restructuring the State so that it encourages and supports individual enterprise;
 - we also need to create a public sector that treats our citizens well so that they spend less time in government offices and more time in productive work;
 - Equally we need to reduce the size of the public sector and improve its efficiency.

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- The success of these initiatives by the government will require investors operating large or small business as well as individual workers in the public and private sectors to enter into a binding covenant with the government to:
 1. Ensure that all taxes that are due are collected;
 2. ensure that there are no cost overruns on public contracts;
 3. give a fair day's work for a fair day's pay;
 4. pay our taxes if we expect to receive services from the government; and,
 5. give quality service to citizens from whom we expect voluntary tax compliance.
- **ALL OF US NEED TO CHANGE THE WAY IN WHICH WE OPERATE AND WE NEED TO DO SO NOW.**

ECONOMIC AND BUDGET HIGHLIGHTS

ECONOMIC AND BUDGET HIGHLIGHTS

- Mr. Speaker, as is known, the budget for the past fiscal year was predicated on a sharp increase in the primary surplus. Mr. Speaker, I must inform this Honourable House that the revised primary surplus target of 5.3 per cent was in fact achieved. That, Mr. Speaker, is living testament to our determination to live within our means and to persist in achieving the objective of reducing the public debt.
- Much credit is due to all the public officials who have managed their departments within the very limited financial resources which were available to them.
- It is also the case that the revised budget was lower than the original budget by some J\$9.9B.
- And it should be recalled that expenditure resulting from the damage sustained on account of Hurricane Sandy for housing, road repair, etc... were met largely from within our own resources. That we have been able to achieve this is also a testament to the resilience of the Jamaican people and the skill of the public servants.
- Nonetheless, Hurricane Sandy and the continued crisis conditions in the global economy are largely to account for the relatively flat growth outturn of negative 0.4 per cent for the fiscal year ending March 31st, 2013. Inflation has remained within the target range of 7.5-9.5 per cent although the exchange rate adjustment, particularly in the latter part of the year, has caused a higher rate of increase in inflation than was typical for the rest of the year.
- On the monetary side, it is well worth noting **that money market rates are at their lowest** for decades. This is reflected in the following:
 - Bank of Jamaica policy rate of 5.75 per cent and the interest rate on the 3-month Treasury Bill rates which at the last auction was 5.82 per cent, is the lowest it has been since October 1973;

- Continued decline in average lending rates in the commercial banking sector. In some instances, there are reports of preferred borrowers receiving rates at below 10 per cent for Jamaica dollar loans; and,
 - Residential mortgage rates being advertised at approximately 9 per cent.
- This, Mr. Speaker, is a trend that we intend to encourage and we can do this best, by maintaining our tight fiscal policy. Also of significance is the fact that the ratio of **non-performing loans** to total loans has been reduced during the last 12 months from 8.4 to 6.4 per cent.

BALANCE OF PAYMENTS

- In the context of the tight economic and budgetary conditions, the current account deficit on the Balance of Payments improved by US\$221M – the ratio going down from 13.7 per cent of GDP in 2011/12 to 12.6 per cent of GDP in 2012/13. This is moving in the right direction as we move towards paying our way in the world instead of borrowing to meet our current demands.
- Mr. Speaker, since January 2013 production and exports of alumina from Windalco's plant at Ewarton have been returning to full capacity. On this basis, gross export earnings are slated to rise by US\$65 million on an annualised basis. This will contribute to some improvement in the deficit in our balance of trade and current account deficit.
- The significant impact of this turnaround at Ewarton demonstrates the critical importance of the recovery of the bauxite industry on the economy, and especially on the balance of payments. It is essential that the energy systems of the plants that are closed be transformed if the industry is to be made competitive. No doubt, the portfolio minister for mining and energy will address these issues in his own presentation in this Debate.

- In the fiscal year 2012/2013 the Net International Reserves closed at US\$824.3M with gross international reserves of a little over US\$1.7B. Gross reserves represent the total amount of foreign currency resources at the disposal of the Bank of Jamaica. The deterioration in reserves during the year is the result largely of the absence of official inflows due to the abandonment of the previous IMF agreement in 2011.

ACHIEVEMENTS

- Nevertheless, we should note that despite all of this, and the fiscal constraints:
 - We have employed more than 36,000 persons on the JEEP Project;
 - We started the North South Highway;
 - We financed our recovery from Hurricane Sandy;
 - We spent \$600m acquiring 294 new vehicles and motor cycles for the Jamaica Constabulary Force, the Jamaica Defence Force and the Department of Correctional Services;
 - We spent \$473m upgrading police stations;
 - We spent more than \$600m getting sugar workers out of barracks in Clarendon, St. Thomas and Westmoreland;
 - We removed GCT from electricity benefitting 80,000 Jamaicans; and,
 - We raised the income tax threshold benefiting all employees and resulting in some 111,000 Jamaicans of low income not having any income tax obligations;

WE HAVE REMAINED FAITHFUL TO OUR MISSION

BUDGET 2013/14

- The budget for 2013/2014 is cast against the background of the economic reform programme which aims to provide the conditions under which Jamaica can achieve sustained economic growth and development and job creation which is so essential.
- The main focus of the budget of both central government and the self-financing public bodies is fiscal consolidation as a means for reducing the public debt to sustainable levels. The overall budget for central government is \$520.8B which is 14 per cent less than the revised estimate for the past fiscal year. The bulk of the savings arise from the reduction in public debt expenditures of \$100.7B. This represents savings in interest costs of approximately \$10B and reduction in the repayment of principal of \$90.7B.

Debt Expenditure

- The budget provides for debt servicing expenditure of \$225.2B of which \$119.5B represents interest charges and \$105.7B represents repayment of loans – both internal and external. There are three essential points to note here:
 - First, that the share of debt service in the budget is getting less. Whereas debt service accounted for 54 per cent of the budget in the last fiscal year, it accounts for 43 per cent of total expenditure for the current fiscal year. **THIS, MR. SPEAKER IS MOVING IN THE RIGHT DIRECTION.**
 - The savings in the debt service costs have been due primarily to the NDX which has reduced interest costs and payments for maturities on domestic debt.
 - The reduction in external interest and repayment of external principal is due primarily to the fact that there are no significant payments for the current fiscal year, unlike the payment of EURO 200M last year.

- All told this makes our debt management scenario better in the current fiscal year than it was in the previous year.

Non Debt Expenditure

- On the expenditure side, central government non-debt expenditure amounts to some \$295.6B which is 57 per cent of the total budget, up from 46 per cent in the previous fiscal year. **THIS ALSO, MR. SPEAKER IS MOVING IN THE RIGHT DIRECTION.**
- Still of concern Mr. Speaker, is that wages and salaries make up 53 per cent of the total non-debt expenditure; and amounts to \$157.2B. The allocation for wages and salaries is 10.6 per cent of GDP and is consistent with our attainment of the legislated wage to GDP target of 9 per cent by 2015/16. The provision for wages and salaries for 2013/14 includes: back pay of \$9.5B representing arrears due to teachers and various public sector groups, some \$3.3B to commence the payment of new rates for the reclassification of posts in the health sector; \$3B to meet the \$25,000 per person one-off payment to public sector workers as required by the recently concluded 2012/2015 Agreement with public sector unions.
- The provision in the budget for wages and salaries has taken into account the permanent removal of 3,100 posts from the establishment last September and the elimination of 3,200 vacant posts early in 2013. An additional 1,000 posts will become vacant from natural attrition and will not be filled. The point being made Mr. Speaker is that there are a number of one-off payments for this year which will not recur in subsequent years, and that we are shrinking the size of the Public Sector Establishment.
- Additionally, sums have been reserved to deal with various claims to settle agreements with public sector groups and to settle outstanding arrears with WIGUT and Education Officers.

RECURRENT PROGRAMMES

- Approximately \$94B has been reserved for non wage recurrent programmes. While this is a nominal increase compared to last year, it represents real reduction over 2012/13. Containing expenditure will require skill and determination by managers in Ministries, Departments and Agencies. Even as we have reduced expenditures overall we have managed to increase the level of resources spent on social protection.
- Mr Speaker, even as we have reduced expenditures overall we have maintained our commitment to protect spending on programmes which are targeted at the most vulnerable segments of the population.
- Over \$6B has been allocated to the Ministry of Labour and Social Security for social welfare programmes. This reflects an increase of approximately \$562m over the previous budget of \$5.7B. PATH beneficiaries will receive a 15% increase in payment which will commence in August 2013. Another 15% will be paid in August of 2014 thereby bringing the total increase to the beneficiaries to 30% by the end of FY 2014/15. Funds have been provided to support the introduction of a pilot programme to provide bus fares for PATH students, introduce bursaries to Tertiary Level students, implement a social housing project to deliver 120 housing solutions, provide skills training and remedial education to 525 farmers, 120 low literacy clients and 500 youths, provide 1000 entrepreneurship grants under the welfare to work programme, among other initiatives.
- Over \$800m has been allocated for poor relief services up from the \$747m provided in FY 2012/13, with approximately \$780M going to the Parish Councils to assist with the administration, operations and maintenance of infirmaries as well as the provision of financial assistance to the registered poor.
- The School Feeding Programme in the Ministry of Education has been allocated a total of \$3.944B, an increase of \$373m or 10% over the \$3.571B provided in the previous year;

the subsidy to Basic School children has moved from \$1.2B to \$1.32 billion - the first increase in this grant since 2009/2010;

- Youth and Children at Risk Programmes have been allocated a total of \$2.6B up \$251m from the \$2.4B provided in FY 2012/2013. Grants totaling \$1.24B, up from the \$1.1B provided in 2012/2013, have been provided to the children's homes, places of safety and foster care through the child Development Agency.
- Over \$1B has been allocated to the Citizen Security and Justice Programme in the Ministry of National Security to continue the intervention activities in communities plagued by crime and violence. Activities in 2013/14 will include: summer employment for 390 persons, on the job training for 470 persons, provision of tuition support for 900 students, among other initiatives;
- The Jamaica Social Investment Fund in the Office of the Prime Minister has been allocated \$1.852B to enable the Agency to continue ongoing work and provide resources to assist vulnerable communities in improving their social, economic and physical infrastructure.
- This government, led by the Most Honourable Prime Minister has an ironclad commitment to the more vulnerable in the society even in the face of budgetary stringency.

CAPITAL EXPENDITURE

- Overall, capital spending for the fiscal year 2013-14 is budgeted to be just under \$50B. In this sum, \$44.7 B will be funded through the Consolidated Fund and the rest through Appropriations in Aid (fees and earnings of the Ministry's departments and agencies). The allocation from the Consolidated Fund represents an increase of \$6.3 billion over the \$38.4 billion spent in the previous financial year. **AGAIN, MR. SPEAKER, ON THE CAPITAL ACCOUNT THE BUDGET IS MOVING IN THE RIGHT DIRECTION.**

- Even so I think it is important to note Mr. Speaker that to get a more complete estimate of the extent of the capital investment, we have to take account of the investments being undertaken by public bodies like the UDC, the National Water Commission, the Housing Agency, NHT, the Mortgage Bank. The total expenditure for infrastructure and investment being undertaken by public bodies for 2013/2014 is \$62B. This compares with \$52B for 2012/13. The figures for 2012/2013 and 2013/2014 now include the work of the Road Maintenance Fund. **HERE ALSO, THE BUDGET IS MOVING IN THE RIGHT DIRECTION.**
- All told, combining central government capital expenditures and capital expenditures being undertaken by public bodies is just over \$106B.
- Among the major capital expenditures to be undertaken during 2013/2014 are:
 - \$2.5B to commence implementation of the major infrastructure development programme to be financed by China EXIM Bank;
 - \$1.7 billion for the transportation infrastructure project to complete ongoing infrastructural works in Westmoreland and St Thomas;
 - \$1.4 billion to continue work on the upgrading of infrastructure and provide affordable housing solutions in Belle Aire, St Ann;
 - \$1.28 billion to complete the remaining 40% of the programmed drainage rehabilitation works in the Kingston Metropolitan Area (Sandy Gully);
 - \$1.3 billion for completion of mangrove and dunes restoration and installation of water pipelines under the Palisadoes Shoreline and Protection Project;

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- Just under \$700 million to commence implementation of projects for rural road rehabilitation in Manchester, Clarendon, St Catherine, St Mary, St Ann and Westmoreland - funded with support from the Kuwait Fund and OPEC;
- \$740 million to finance projects under the Jamaica Emergency Employment Programme;
- More than \$500M on Rural Road Infrastructure for patching and overlay of roads;
- \$23B in housing expenditure by the National Housing Trust;
- Approximately \$10B for the implementation of water and sewerage projects by the National Water Commission.
- \$2.0B for the Sugar Transformation Programme to continue executing contracts for: infrastructural works for seven housing sites across four parishes (Clarendon, St Thomas, Trelawney and Westmoreland) related to the relocation of former sugar workers; the rehabilitation of cane roads; and the expansion of agro-parks.

J\$2.8B - FOR THE STUDENTS' LOAN BUREAU

- Mr. Speaker, I would like to say a special word about the Students' Loan Bureau (SLB). Over the last 6 years demand for students' loans has increased exponentially from 6,600 in 2007 to 16,600 in 2012, and is projected to increase to over 20,000 for the upcoming academic year. This increased demand coupled with the annual increase in tuition costs by tertiary institutions, has resulted in significantly increased pressure on the limited resources of the Students Loans Bureau to meet the growing demand which is estimated to reach \$20B in 2015/16. Of this amount, inflows of approximately \$12B will be sourced

between now and 2015/2016 from the recent increase in Education Tax and from loan repayments. This will still leave a shortfall of approximately \$8B for the period.

- For the 2013/2014 academic year, approximately \$4.9B is required to fully cover the projected demand which will be financed by the Education tax and loan inflows from the Caribbean Development Bank. The current financing needs are satisfied.
- In this situation the SLB is engaged in discussions with private sector financial institutions to induce their participation in funding the demand for tertiary education. These discussions are progressing well and the details are being worked out as to the terms and conditions of the Private Sector's participation in this undertaking. Once this is finalised the SLB will be in a position to determine the extent to which further funding may be available.
- However unless the delinquency rate is reduced, the available resources will deteriorate over the medium term. The delinquency rate remains too high and the rate of collections (under 50%), is inadequate to enable the fund to revolve in the way that was originally intended so that more persons can benefit. The SLB has embarked on several measures to strengthen collections so as to reduce the reliance on GOJ for funding, going forward.
- The high delinquency is expected to be significantly reduced in the near future, as payment by customers is expected to improve with the recent introduction of the Credit Bureaus in Jamaica.
- In addition, proposed amendments to the laws to facilitate deduction at the source of income will result in improved collections.
- However, in the interim, employers in the public sector will be authorised to deduct payments from employees who have outstanding loans with the SLB and remit these to the Bureau. Employers in the private sector are being encouraged to facilitate these

deductions from the salaries of their employees as their contribution to the effort to expand opportunities to our young people who are unable to access tertiary education without the help of the SLB.

- It is critical that tertiary institutions periodically review the type of programmes and courses offered to determine their relevance to the market needs. In addition, the quality of the product being offered by institutions needs to be reviewed and strengthened (in a number of cases), which will assist students in getting jobs on graduation and as such repay their students' loans, so that the demand on government for funding, is reduced.

CLEANING THE BOOKS

- Mr. Speaker, I think it is worthwhile noting as well that there are provisions in this budget relating to legacy payments, that is to say obligations that have remained on the books but which need to be settled. These include payments of:
 - \$2.1B for buses ordered for the JUTC;
 - \$2.1B for settling the EPIHL and Sons Arbitration award; and there is some,
 - \$900M for payment to Carreras Ltd arising from the Privy Council Decision

EXPANDING HOPE AND OPPORTUNITY THROUGH GROWTH

EXPANDING HOPE AND OPPORTUNITY THROUGH GROWTH

- Mr. Speaker, we are all in agreement that the ultimate solution to our current economic predicament and for securing the long term future of Jamaica is for us as a country to achieve sustained economic growth and job creation.

What will this bring?

- Economic growth over a long period of time will raise incomes and improve the standard of living of our people. Indeed, it is the only guarantee of an improved standard of living. More than that, it will provide the necessary platform for addressing the social problems. Put another way, securing economic growth will not of itself address issues such as anti-social behaviour, decline in family structures, problems of teenage pregnancy or high crime levels which negatively affect the potential of our country to achieve its goals and objectives. But, if we are to overcome these problems, we must have sustained levels of economic growth.
- I think it is important at the outset to dispel the notion that economic growth is separate and apart from the economic reform programme itself. Indeed the Economic Reform Programme is necessary for achieving higher levels of growth. It is not possible for us to achieve sustained growth if most of our resources go simply to pay debt and are unable to maintain an adequately financed capital investment programme. In turn, you cannot achieve high rates of growth if government consistently spends more than it earns and thus finances itself by commandeering inordinate resources from the private sector. On the contrary, such action will only result in raising interest rates and making business less competitive than they would normally be.
- So the essential point to be made Mr. Speaker is that in order to reach that "*promised land*" of sustained economic growth we have to enter through the gates of fiscal consolidation which will lead to low interest rates and over time generate more investment and more revenues. All of these form part of the current economic programme of the IMF agreement.

The Growth Agenda

- So, the first requirement, and let me say it clearly, the first requirement of the growth agenda is that we need to maintain our commitment to the current economic reforms and the difficult adjustments that that entail. **WE HAVE TO STAY THE COURSE.**
- Beyond that, I think we can all agree that the basic pre-requisite for growth would include:
 - easy access to affordable credit;
 - efficient, facilitative government institutions supportive of investments;
 - a legal system that resolves disputes impartially and speedily; and,
 - a society which will view positively and reward those who achieve successful business investments.
- Sustained growth will also require an environment which facilitates new entrants coming on to the field of business investments and allows small to become medium, and medium to become large , not on the basis of political or social connections, but simply on the basis of their capacity and their entrepreneurial drive.

BUSINESS ENVIRONMENT

- In order to achieve this, the government will undertake a series of measures to enhance the business environment. Among these will be streamlining the business registration process simply by providing a single super-form to facilitate a one-stop business registration process.
- Also we will in the course of this year table a Secured Obligations Bill in the parliament to facilitate access to credit by using movable property as collateral. I should remind the

House also that the coming into operation of the Credit Bureau this year will, overtime, facilitate a downward move in interest rates and persons who have a good credit risk will have access to credit on better terms.

PRIVATIZATION PROCESS

- An important part of the growth agenda involves the swift and efficient privatization of entities that are under-performing or otherwise do not form part of core activities of government.
- In this regard, the government is actively pursuing a privatization programme. Enterprise Teams have been established and are working with regard to the privatization of:
 - Kingston Container Terminal,
 - Norman Manley Airport,
 - Jamaica Railway Corporation; and,
 - Caymanas Track Limited.
- I should also point out that Cabinet in March gave approval for the divestment of the Government of Jamaica shares in Wallenford Coffee Company. Final negotiations are now taking place with the preferred bidder. When completed the result will yield savings of over J\$200M per year for the Government of Jamaica which represents the annual loss for the Company.
- The House should note also that the government is pursuing plans for either a sale or lease agreement for its shares in Clarendon Alumina Partners Limited. Discussions are actively taking place as we speak, and I am cautiously optimistic as to the outcome.

MAJOR PROJECTS

- Separate and apart from the general efforts to support the business environment and to sustain a stable macroeconomic environment, there are some critical strategic

investments which in the near to medium term have the capacity to change the economic landscape of the country decisively.

Logistics Hub

- The first of these areas of strategic investment with tremendous potential relates to the establishment of Jamaica as a Logistics Hub. This will take advantage of the expansion of the Panama Canal due for completion in 2015, and exploit Jamaica's geographic location in relation to the canal. Succeeding at this will involve many different elements.
 - In the first instance it will be facilitated by the privatization of the Kingston Container Terminal.
 - It will also involve the completion of the Port Community System which will electronically integrate and streamline export and import procedures;
 - It will facilitate an overall improvement in trading practices and lower the cost of doing business in Jamaica's ports.
 - Ultimately we aim to achieve the paperless processing of transshipment activities.
- The Hub will start with a phased roll out by the end of this fiscal year and is expected to be completed in 2015/2016. In addition, establishing Jamaica as a Logistics Hub will require significant investments in the sea and air ports as well as Jamaica's industrial infrastructure and will involve a wide cross section of public and private sector interests.

ICT

- The second major node of the strategic investments relates to the ICT activities. In 2013-14 a total of US\$20M will be committed by the Development Bank of Jamaica to facilitate construction of ICT centres that will create an estimated 7,000 to 8,000 jobs. This follows a similar commitment last year which has been largely taken up. These estimates do not include other jobs to be provided in this sector by non DBJ investments.

There is no limit to what Jamaica can achieve in this sector and I urge private investors to enter the sector boldly.

AGRO Parks

- The government is committed to the establishment of nine agro parks in order to create employment, increase agricultural output, reduce the national food import bill and stimulate food exports.
- Two have already been started (Amity Hall in St. Catherine, and Ebony Park in Clarendon) with Plantain Garden River being prepared for onion production as we speak. Before the end of this fiscal year another two parks will be brought under production and these are Meylersfield in Westmoreland and Ettingdon in Trelawny.
- These parks are funded in part by the EU and are being developed jointly with the Agro Investment Corporation and the National Irrigation Commission providing infrastructural development and irrigation facilities respectively.
- These Agro Parks, Mr. Speaker, are being developed jointly using public private initiative involving both large and small farmers. We are ensuring that all aspects of the value chain are being covered from germination to processing to marketing; and will in many instances involve the “mother farm satellite” method of production.
- For example as a result of these initiatives let look at just a few of the crops contemplated:
 - Some 1700 acres of sorghum production to reduce grain imports for animal feed is underway. The planned initial rotation of 500 acres of sorghum with red peas by August/September will see a reduction in red peas imports by 33%;

- some 689 acres of onions will be planted shortly reducing the import bill for onions by about 45%; and,
 - Additionally, 550 acres of vegetables, legumes, condiments and tubers in these parks is only a start of the significant government facilitated initiative to increase production.
- These activities, Mr. Speaker, will see approximately J\$1.1B dollars of revenue flowing to farmers before the end of this fiscal year providing approximately 1500 persons with direct employment and approximately 2500 part time jobs.
 - There is also a major expansion of cassava production underway to provide raw materials for the beer industry.
 - These are just some of the examples of the private sector taking advantage of the improved competitiveness that is becoming characteristic of the Jamaican economy.

Infrastructure

Apart from Port Infrastructure an important part of the growth agenda relates to general infrastructure development.

- With regard to road infrastructure, already China Harbour is investing US\$620M in the North South Highway link. Segment 1 of this project is already underway as we speak. The other segments will begin this fiscal year.
- There are other projects currently being planned including the westward expansion of Highway 2000 from May Pen to Williamsfield.
- The major infrastructure development project is also being financed by China EXIM Bank.
- The NHT will spend some \$23B on housing to mention just a few.

Energy

- Reducing energy costs and developing additional generating capacity and investing in renewable resources are also essential components of the country's growth agenda. In the course of the debate next week the Minister with responsibility for Energy will speak to the energy component of the Agenda.

Integrated Resort Developments

- Mr. Speaker, as you are no doubt aware in 2010 the Casino Gaming Act was passed by both this Honourable House and the Senate, and the Governor General gave his assent in May of that year. Parts I, II, & X were brought into operation by the then Minister of Finance. I have signed the Casino Gaming Act 2010 (Appointed Day) Notice 2013 appointing 17 April 2013 as the day on which parts III to IX and the second to sixth schedules shall come into operation.
- Part III of the Act deals with Approved Integrated Resort Developments. Approved Integrated Resort Developments are the means by which the Government of Jamaica (GOJ) proposes to substantially grow the Hotel Sector with accompanying Casinos, Entertainment, Banqueting and other facilities.
- The model which the GOJ is using is a model based on the successful model introduced by the City State of Singapore. Singapore introduced the concept of Integrated Resorts inclusive of Hotels, restaurants, shopping, convention space, and with them Casinos were brought to Singapore. The Government of Singapore invited Requests for concepts. It received a number of proposals and selected two (2) as Integrated Resorts. The rest is history, as this has lead both to a phenomenal growth in Tourism in Singapore but Singapore now earns more from its Casino floors than Las Vegas, Nevada in the USA.
- Here in Jamaica, our Casino Gaming Act provides that the Minister may, by Order, declare an Integrated Resort Development to be an approved Integrated Resort Development. Our Law requires that the Integrated Resort Development when

completed, will comprise one or more Hotels providing in the aggregate at least 2000 Hotel rooms. Our Law specifically excludes hotel rooms already in existence or under construction prior to the making of an application for an Order Mr. Speaker, each new Integrated Resort has to have 2000 new Hotel rooms.

- Our Law also provides that approved integrated Resorts may have casinos in operation on their premises.
- In October and November of the last calendar year this Honourable House and the Senate passed both the Casino Gaming (Application for Declaration of Approved Integrated Resort Development) Regulations 2012 and the Casino Gaming (Prescribed Games) Regulations 2012. Both Regulations were gazetted yesterday.
- It has been established that Integrated Resort Developments with Casino will create at least five (5) jobs per room. Our Law provides for a maximum of three (3) such resorts with 2000 new rooms each. This will, upon completion, translate into at least 30,000.00 new permanent jobs. The construction phase of these Approved Integrated Resorts will lead to thousands of jobs.
- Against this background Mr. Speaker, I have much pleasure in advising this Honourable House and the Nation that as of 01 June 2013 the Government of Jamaica will be receiving Requests for Proposals inclusive of Applications under the Casino Gaming (Application for Declaration of Approved Integrated Resort Development) Regulation 2012.
- The period for the receipt of Requests for Proposals and Completed Applications will be 01 June 2013 to 30 September 2013. I expect to be able to make Orders declaring Approved Integrated Resort Developments by early in the New Year. I am advised by the Casino Gaming Commission that already there are at least six serious expressions of interests.

Major Hotels

- Mr. Speaker, even while we are moving to request proposals for integrated resort developments that should trigger major new investment in the tourism sector, we must recognise that the industry has to respond to continuing competitive pressures from other destinations. It is therefore important that at the same time we attract investment in existing hotels and other facilities. If the sector is to continue to grow, we must constantly raise competitiveness, which means we must both secure investment in new rooms and in the upgrading of our existing stock.
- Significant investment is currently underway in the upgrading of several tourism properties involving new owners and brands that are bound to enhance the attractiveness of our destination. These include the Seashore Beach Bay Resort, formerly Poinciana in Negril, which was acquired last year by Karisma, a group out of Mexico. The property is being upgraded at a cost of J\$1.135 billion.
- Then there is the former Starfish Hotel in Trelawny which was also acquired last year by the Sunwing Travel Group of Canada, a partner of TUI, the world's largest tour operator. The hotel will be operated under the Memories White Sand brand and its 350 rooms are undergoing major refurbishing involving an investment of over J\$2.5 billion.
- Next is the resort property at Braco owned by the National Insurance Fund, where Melia Hotels International [MHI], a global chain, will be entering into an agreement to operate this hotel. Its 226 rooms will undergo major renovation in the coming months.
- Mr. Speaker, in the period while we were out of office, no new hotel investments were secured. As a result, investment in the sector plummeted. The new RIU hotel now being built at Mahoe Bay in Montego Bay has broken this drought in hotel construction. Last November Riu commenced construction of its 238 room hotel which will be opened for the winter 2013/14 season. This is an investment of over J\$4 billion [US\$43 million], and will represent RIU's high-end brand of suites.

- So Mr. Speaker, our tourist industry is experiencing a transition, with new investors contributing to revitalisation of existing resorts and adding to economic activity. These players will bring to the marketplace exciting products that will bolster the local industry in the period ahead.

Public Sector Transformation

- Public sector reform is an important component of the growth agenda. If we are to improve competitiveness and create a better quality of life for our citizens, then we will have to ensure greater speed of decision-making within the government and greater levels of efficiency measured by the reduction of costs in delivering service. We also need to have a different set of attitudes with respect to how we treat members of the general public as well as those who are seeking to do business in Jamaica.
- Among the decisions already taken by the Cabinet is that we will increase the number of Executive Agencies to ensure greater efficiencies in the delivery of services. The Executive Agencies will have autonomy for the overall management of their operations in regard to human resource issues and financial management both within a strict accountability framework. As of April 1, 2013, Jamaica Customs for example, has been established as an Executive Agency.
- The transition of Jamaica Customs will be completed within the next six months. This will enable increased flexibility with respect to staffing and the rules of employment, as well as management of its financial resources, which will ultimately enable greater efficiency. Other agencies are slated for similar treatment including the Department of Fisheries and the Port Management Services.
- In the same vein, a number of departments and agencies are being merged with a view to enabling greater cost efficiencies - Betting Gaming and Lotteries Commission to be merged with the Jamaica Racing Commission; the University Council of Jamaica to be merged with the Council of Community Colleges of Jamaica to form the Jamaica Tertiary

Commission; The research facilities of the Jamaican government are being integrated into a National Institute of Science and Technology. All of this represents just one aspect of what is being pursued, and there are other agencies which are currently being reviewed with a view to reducing the cost and size of their operations.

- In addition, Cabinet has taken the decision to establish a Strategic Human Resource Management Unit to serve the entire government. This Unit will provide policy direction across government and technical guidance to the human resource management departments. The expectation is that the work of this Unit will make way for a public sector which is cohesive and performance based. Intrinsic to this effort is the completion of an Employee Census System (E-Census) which will record the entire listing of public sector employees in order to compile an effective Human Resource Management System.
- Similarly, efforts will be directed at effecting cost savings by putting in place systems of energy conservation and new ICT systems which will reduce the cost of communication within government.
- In pursuit of this, the decision has been taken to merge Fiscal Services Limited with Central Information Technology Office (CITO) and create a new technical office to drive E-government. This represents a very complex set of efforts and will require a revitalization of the management structures of the Public Sector Transformation Unit.
- We have two ICT related activities which will be developed and implemented at a later stage. We propose to complete the consolidation of payment and filing of labour-related taxes. We also propose to complete and expand the phased implementation of the Export Fast Track Facility and electronic filing and payment systems. These activities should simplify and make doing business with the government more efficient.
- We would like to thank Mrs. Patricia Sinclair McCalla, who is now retired and who in her last years in the government devoted much time to the Public Sector Transformation

Unit. The Most Honourable Prime Minister will report on these new management arrangement which will be put in place to drive Public Sector reform. Make no mistake however; we consider this an urgent priority.

THE TAX REFORM AGENDA

TAX REFORM

- The programme that we are implementing to modernise public financial management, involves simultaneous overhaul of the systems of expenditure control and tax reform and strengthening of tax administration. Mr. Speaker, let me remind this house, that as I stated last year, the guiding principles underlying the Government's tax reform efforts are:
 - To meet the revenue demands of the budget
 - Ensure greater equity and simplicity
 - Increase compliance
- The reform process itself, will operate on three fronts: policy, legislative, and institutional.

1. Policy Reform

In keeping with the guiding principles that I enunciated earlier the policy reform measures that are being undertaken are intended to:

- widen the tax base for both corporate income tax and consumption taxes;
- reduce distortions in the system especially in regard to tax incentives and waivers;
- introduce legislative and administrative instruments to increase compliance; and,
- lower rates including personal income tax to a competitive level depending on improvements in the revenue.

2. Legislative Reform

Over the next four years, Jamaica will institute the most comprehensive legislative reform of its tax system in several decades. Specifically, in the FY 2014/16 period, the programme will cover legislation to:

- modernise income tax, property tax, custom tariffs and social contributions;
- reduce tax and tariff exemptions in all major taxes, except for a limited number of specific goods and services especially related to exports;
- remove of most exemptions and most items eligible for zero rating. This will not apply to exports;
- provide standardized powers to Tax Administration Jamaica and Jamaica Customs to allow for electronic lodgements of transactions
- provide powers to TAJ and Customs that will enable improved auditing and arrears collection.

Mr. Speaker, you will recall that this Parliament has already passed the legislation to introduce a debt write-off policy for tax arrears.

- eliminate ministerial discretionary powers to grant tax relief and introduce an Omnibus Incentive Act. This legislation is to be tabled in Parliament by September 2013. An interim scheme that establishes caps for the different categories for discretionary waivers is now in place, but will be replaced by the Omnibus Act by the end of December 2013. The process of consultations with stakeholders in the public and private sectors is in its final stages, prior to completion of the policy document and approval by Cabinet.
- provide clear guidelines for the tax treatment of charities until the Charities Act, which is expected to be tabled in Parliament by September 2013. The harmonization of tax treatment of charities across all tax types is to be concluded by the end of May 2013. Further a new registration process for charitable organizations is to be in place by November 2013.

- A detailed action plan for implementing these reform measures is to be ready by May 2013.

3. Institutional Reform

To underpin the policy and legislative reform, important institutional changes are being made; including institutional strengthening of Tax Administration Jamaica and Jamaica Customs. Mr. Speaker, I have already addressed the conversion of Jamaica Customs to Executive Agency status and the benefits to be derived from the merger of CITO and Fiscal Services Department under Public Sector Transformation.

Tax Administration Jamaica is procuring a new, modern integration system to support its operations on both organizations are to jointly acquire commercial HR Information System to modernise the functioning of their organization.

In-terms of revenue administration both Tax Administration Jamaica and Jamaica Customs are to implement measures to encourage payments through the commercial banking system.

Handling of tax and duty payments by these organizations requires a significant number of staff leading to inefficiency, inconvenience to the public and high administrative cost. This also distracts the organisation from their core activities. The current alternatives for paying through these organization particularly using credit cards are extremely expensive. The Ministry of Finance should seek to negotiate lower rates for the associated fees with the commercial banks.

Facilitating Small Businesses

- While we recognize the importance of large firms and their role in creating wealth and job opportunities, we often fail to recognize the critical importance of small businesses to our economy. I am talking about businesses that employ between one and fifty persons.

- It is not widely recognized that it is small businesses that create the vast majority of jobs.
 - The IT provider in the plaza, the drapery installer, the accountant, the plumber, and yes the pan chicken man on the corner, or the goat farmer in St Elizabeth. This is where the majority of jobs in our country come from.
 - The small businesses account for some 88 per cent of all firms that file GCT. They represent 50 per cent of our GDP and account for some 53 per cent of the employed labour force in this country.
 - What these data suggest, given the economic imperatives which we face, is that special attention should be given to this group to help them further realise their ambitions and help them drive the country forward.
 - In the last financial year, the Development Bank of Jamaica made loans valued at J\$630M to some 8,250 Jamaican men and women in the small business sector.
 - This financial year, the Bank intends to do a great deal more. We recognize that there is a need for increased supply of credit. The Bank will this year commit \$2B to the micro and small business sector. This will ensure that an estimated 12,250 enterprises can gain access to credit through the Bank's network of intermediaries. This is a significant increase from 850 loans the last financial year.
1. **Institutional strengthening** - The DBJ is aware of the need to increase the number of institutions who are extending credit to micro and small enterprises. It is aware that the increase in the pool of funds will only be effective if there is increased access to entrepreneurs.

(a) In this regard, the **Bank will:**

- i. **Reach out to several credit unions across Jamaica**, to review their needs and bring them into the sector;
 - ii. **Work with current lenders to research and launch new and innovative loan products** designed for different sectors of the economy;
 - iii. **Work with lenders to ensure that new technology for example, mobile banking is applied thus** reducing the cost of lending; and
 - iv. Work with all lenders to identify new products and services that demanded by borrowers but are not now being supported.
- (b) **The Bank is supporting the National Peoples Cooperative Banks entry into the micro credit sector.** This Capacity Building Project is funded by the IDB, the EU, the Caribbean Development Bank and Citi Foundation. Together, they have already designed a loan product, startup staff have been trained, and a roll out in an initial ten branches is expected in May, 2013.
2. **Support to Micro Entrepreneurs** - To maximize the available credit and financial services micro and small businesses require **some level of support to access and utilize credit effectively**. Being aware of this, the **Bank will:**
1. **Introduce an innovative approach to ensure that entrepreneurs have business development support services to include an** approach that will increase the efficiency of the borrower as well as using a Voucher System to access business development support from certified private/NGO/Government service providers.

2. Collaborate with the relevant government agencies that are already charged with identifying and supporting the entry of all entrepreneurs to provide more access and support to the sector.

- The potential of small firms will be realized when they have access to business development support. The work of my colleague minister in this respect is important.
- The Bank will be investing in an innovative approach which ensures island-wide access. This will include the introduction of a 'voucher system', entrepreneurs will be able to 'cash' their voucher in and access the technical assistance they need.
- So if a farmer wants training on how to do use a solar dryer to sun dry and market tomatoes he or she can use their vouchers to purchase technical assistance in drying, in how to prepare packages. If a dressmaker needs a business plan to expand her business she can use her vouchers to receive support for preparing her business plan. The Bank will reimburse the service providers.
- The Bank will be investing in increase financial literacy for entrepreneurs to ensure improved business management.

REVENUE MEASURES
(see attachment)

CONCLUDING COMMENTS

- Mr. Speaker, we have put together a tight budget which will test our capacities as a people. We are also entering a four year Extended Fund Facility agreement which will impose stringent demands on us to meet the performance targets and the structural benchmarks.
- All of this will require national effort and new approaches. We have sought to provide the institutional vehicles for building consensus. For example, we have established the oversight committee monitoring the IMF Programme. The coordinating unit at the Ministry of Finance will begin operations in the next three weeks. And the Partnership for Transformation chaired by the Prime Minister has been reactivated.
- These steps will not by themselves build the consensus which we need nor will we overnight rebuild the confidence in our collective capacities to build a sound economy and society. At each step of the way as we surmount some hurdles, others will appear. All problems won't be solved at once. For example,
- Mr. Speaker we are aware of the concerns being raised by members of the Private Sector in respect of our trade arrangements within CARICOM. The concern is that some CARICOM members may not be adhering to CARICOM's rules of origin requirements which allow goods to be traded duty free throughout the region.
- This is a concern which we share because we are determined that every opportunity should be provided to Jamaica's producers - small, medium and large to operate on a level playing field, where trade and investment are concerned.
- To the extent that breaches are confirmed we stand ready to collaborate with the Jamaican private sector. Because let there be no doubt, growth of Jamaica's economy is our priority.

- Other challenges will no doubt emerge, when these arise as they will we need to confront them not by yielding to the temptation to attack each other, but rather to engage each other in the search for solutions.
- For when all us is said and done the true test of the quality of our nationhood will be our capacity as a country to make the difficult decisions to guarantee our survival and prosperity for the future.
- To get a better standard of living for you and your family. Now is the time to invest in Jamaica.
- When I started my Budget presentation today, I said this was one about **Restoring Hope** and **Expanding Opportunity**.
- **Now is the time:**
 - To restore hope for the poor who want the opportunity to climb out of the abyss of poverty and secure a better life for their family.
 - To restore hope for every parent who wants a good education for their child
 - To restore hope for every man and woman who wants a job with a decent wage.
 - To restore hope for every family who dreams of owning their home
 - To restore hope for all of us who want to live in a crime free society.
 - To restore hope for those in the Diaspora who dream of coming back to work, settle and retire in the land of their birth.

- To restore hope for all of us to start having respect for our leaders, our national anthem and our flag.

I SAY NOW IS THE:

- Time to expand opportunities for the owners of small and medium enterprises who want to develop successful businesses.
 - Time to expand opportunities for farmers who want to grow what we eat and put some good returns in their pockets.
 - Time to expand opportunities for the manufacturing sector to produce quality goods for domestic consumption and export markets.
 - Time to expand opportunities in the ICT sector to provide a world class product and good paying jobs for Jamaicans.
 - Time to expand opportunities for local and foreign investors in tourism, in mining, in telecoms, in energy production, in agro-processing, in the creative industries – just to name a few.
- It was Anthony B, the popular dance-hall artist who sang the song “**Nobody wants to plant the corn; everybody wants to raid the barn**”. I say now is time that we must all stop raiding the barn, Instead, it is time for all of us to start sowing the corn to ensure a better life for today, tomorrow and the future – not just for a privileged few but for all of us who live in and love this country called Jamaica.

I SAY NOW IS THE TIME TO RESTORE HOPE AND EXPAND OPPORTUNITIES FOR ALL.

Restoring Hope - Expanding Opportunity

- I am confident in the capacities of the Jamaican people to express goodwill and to achieve greatness. Let us seize this moment. **May God bless Jamaica. THANK YOU**