

Dr. the Right Honourable Keith Mitchell
Prime Minister
Address to the Nation
June 1, 2017

Sisters and Brothers, Ladies and Gentlemen...

I am pleased to report that the Grenadian rebirth is truly on its way. The overall review about our collective economic performance is strong; and the preview of what is to come is highly encouraging.

The delivery that we promised, steadily continues – and will be expanded.

We are far from perfect; and we are also far from finished. The message for today is that we have to stay the course. We have to keep moving in the direction in which we started.

This was made absolutely clear with the final review of the International Monetary Fund, as we have successfully concluded the Home-grown Structural Adjustment Programme.

I must, once again, express profound gratitude to the Social Partners—the churches, Trade Unions, Non-governmental organizations, civil society and the business community—who have joined us in the selfless service of developing our Nation. I am also thankful to the Monitoring committee of the Home-grown programme—an independent group of men and women who ensured the highest accountability during the programme.

I also commend all the men and women across this Tri-Island state, who answered the call for sacrifice for the betterment of this nation. The 2013 decision to engage the IMF support for the implementation of the Home Grown Structural Adjustment Programme was done against the backdrop of low or no growth, with the previous government even selling assets to pay salaries, a

large and mounting debt burden, associated cash flow challenges and an urgent need to bring stability to the fiscal account.

By fulfilling our end of the bargain in the Programme, Grenada has received significant financial support, and more is expected, now that we have successfully concluded the programme.

In addition to the US \$20 million in IMF financing, the successful programme implementation benefitted from US \$60 million so far, in concessional loan financing, provided equally by the World Bank and the CDB, respectively.

As a result of the Structural Adjustment Programme, Government has been able to pay salaries on time; to pay salary and wage increases and Backpay, and to expand social safety net programmes. The economy has returned to a positive growth path, expanding at an annual average of five per cent over the last 4 years.

Although unemployment is still high, labour force participation has increased, which means that more people now have confidence in finding a job and have thus returned to the ranks of active job-seekers. Public unemployment levels continue to fall—albeit slowly. Tax revenues have been performing strongly in response to increased economic activity and improved compliance.

The primary balance has improved from a deficit 4.3 percent of GDP in 2013, to a surplus of 5.3 percent in 2016, representing a 9 percent turnaround, which, according to the IMF, is among the strongest fiscal consolidation efforts recorded in any adjustment programme.

Public debt is now down from 108 to 83 percent of GDP, and expected to reach 72 percent by the end of 2017. That has provided Government with the space to allocate money for the improvement of healthcare services, education, agriculture, infrastructural works and other programmes that better the lives of our citizens.

There has been a major boost in both local and foreign investment the last three years, much of it propelled by our Citizenship by

Investment Programme, which the IMF in its last report, described as “the gold standard in the region for transparency.”

Already this year, we have seen several new or expanded projects, such as Kawana Bay Resort and the expansion of the Levera project. The Breakwater project in St. Patrick’s is moving into a second phase and has already transformed the North. There are several major bridge and road construction projects in St. John’s and St. Patrick’s; and the St. David’s Agro Inc is already seeing huge returns on its Sour Sop tea products.

These new projects have added **hundreds of jobs** so far this year.

The end of the Structural Adjustment Programme does not mean that we will return to the old days of waste and irresponsibility, or else we would have squandered the sacrifices that you made these last three years.

We must maintain the discipline – for it is only through discipline that this hope will endure; and the foundation for the future that we have built will be solidified.

Fellow Grenadians, I take this opportunity to inform you of the status of our move towards Petroleum Development in the State of Grenada.

The Global Petroleum Group, or GPG, was authorized by the Government of Grenada to conduct a Seismic Survey to get deeper knowledge and a clearer understanding of the precise location, extent and shape of the prospective geological features within specific blocks of Grenada’s Maritime Territory.

GPG has now gathered all the available seismic data from surveys conducted in Grenada since the late 1960’s, and integrated it into one comprehensive geological model using the latest technology.

GPG has carried out a detailed study of the most prospective geological features offering greatest exploration and economic development potential. They have prepared all the engineering and

logistical plans for the exploratory drilling campaign, engaged all the contractors, subcontractors and vendors necessary, and are on the verge of commencing the exploratory drilling campaign within the next month or two.

It is instructive to note that all the petroleum related work previously undertaken by GPG have been executed, and/or implemented entirely at their own expense and risk. Their achievements to date, represents the furthest any company conducting petroleum exploration in Grenada has ever reached—and the quest continues, with future prospects in sight.

It was because of our eyes being focused on the future – and our responsibility to the next generation, that this government also took the bold – yet obvious and decisive steps—to liberalize the energy sector.

We are always mindful that, as a government, our first responsibility is to all the people of Grenada.

The policy for electricity reform was rooted in the belief that an open sector will lead to cost-effective energy solutions that will boost productivity, encourage investments, and guarantee long-term sustainability and growth.

This very policy is founded in the pro-investment attitude of this government: an administration that has worked overtime to ensure new investments and an economic environment where investors – foreign and local – can ensure a fair return on their investments.

We shall never be unfair to any investor; but we do not believe that the idea of profits has to be in conflict with fairness, decency and respect for all of our people.

It is unfortunate that the attitude of GPP/WRB Enterprises has been hostile to the very idea of the sovereign government of Grenada seeking to liberalize the electricity sector to provide a fair opportunity for all.

We know that the directors of that company have taken advantage of such liberalization in other markets.

Grenada's policy is not radical, nor inconsistent with regional best investment practices.

In Dominica, where WRB is also the dominant partner in the electricity company there, the liberalization of the sector has not hurt their viability.

In Jamaica, where WRB entered a recently liberalized market, they have shown that they can survive and thrive by investing in alternative sources of energy.

As the Government of Grenada, our wholehearted desire is to continue to have WRB here as a partner in our development. We respect the role they have played in other open markets.

We hope that this very attitude could be transferable to Grenada – because the people in La Borie, Grenada, have the same dreams and aspirations as those in La Borie, Dominica. The people in Harmony Hall, St David's, want to access cheaper rates of power, as the people of Harmony Hall, Jamaica, have begun to do.

While we think the position of some at WRB has been misguided, we can explain it away as a business interest, committed to their small group of shareholders, wanting to maximize all its profits.

But what we cannot understand, and cannot explain, is the attitude of a small band of fellow Grenadians, who has been so short-sighted in their dreams to attain power that they are rooting against the 100-thousand shareholders of this country, which include them.

I hasten to remind them that this land would not only be for the inheritance of our children, but theirs too.

In this vein, we are still waiting on WRB to sit down with us to discuss a way forward that will guarantee the ultimate viability of GRENLEC, as well as a better livelihood for all Grenadians.

No glitzy advertising campaign can negate the Grenadian reality of high electricity rates. Many ordinary people see it in their bill

statements every month; too many small businesses have gone under because of it; our hotels have struggled to stay afloat also, as a result.

There has also been a false narrative that has been proffered by some – that government wants to get its hands on GRENLEC, and for that matter, the troubled hotel, Rex Grenadian.

Our job is to manage this economy, with foresight, innovation and boldness.

We leave the job of managing such enterprises to investors – both foreign and local – who understand the Grenadian values of fairness, service and quality.

Rex Grenadian, like WRB, must first and foremost keep in mind the interests of the people in the market in which they operate.

In the case of Rex Grenadian, it is a poor representation of the Grenadian brand, and its service continues to be complained about by locals and visitors alike. As a responsible Government—and as a Nation which counts the Tourism industry as one of its largest, we ought not to sit idly by and rely on false promises of hotel upgrades and service improvements.

We will therefore be tireless in our efforts to see a better hotel product, regardless to who manages the company.

Sisters and brothers, there is a clear correlation between our economic policies that have laid a good foundation for sustainable growth going forward, the need to liberalize the energy sector and the need to bolster the services in the tourism sector.

A country that has no sound economic construct can never be able to take better care of its people.

...And our move to set up a National Health Insurance scheme, and our determination to restore the pensions of public servants, will never become realities unless there is a sustainable economic construct.

That is why everything that we do, as a government, is intertwined in this overall development agenda.

And while we have delivered a lot, we still have these two big ticket items to deliver: pension restoration and National Health Insurance.

And we still have more people to lift out of poverty.

These are causes to which we are committed. These are causes for which we will fight. These are causes for which we are not prepared to let any small group hold us hostage.

This government, time and time again, has demonstrated its working class credentials and sensibilities—and we shall continue to build this country on these broad principles.

And as we build a stronger nation at home, we continue to take our rightful place in the international community.

We are now seen as a progressive nation, capable of managing our affairs, marching forward and inching upward; sometimes even proudly punching above its weight.

Grenada was elected to Chair the Board of Governors of the Caribbean Development Bank (CDB) at the Bank's recently concluded 47th meeting, which was held in the Turks and Caicos Islands from May 23 to 25, 2017.

As the Governor for Grenada, I will serve as the Chairman of the Board of Governors until the 48th meeting of the CDB, to be held in Grenada in May 2018.

Among the highlights at the recent Board of Governors Meeting, was the ***launch of the CDB Borrowing Member Countries Regional Risk Framework***, for which Grenada was used as the pilot country.

The Bank signed several agreements, including a ***New financing agreement with the European Development Bank*** for USD 110 million in new support for climate change mitigation, adaptation and resilience projects across the Caribbean, from which Grenada stands to benefit significantly.

The CDB was also selected by the Government of the UK for the administration of the **£300 million UK Caribbean Infrastructure Partnership Fund**, which is a Grant provided through the Department for International Development (DFID) for investment in critical economic infrastructure in the Caribbean to set the foundations for growth and prosperity, reducing poverty and increasing resilience to climate change. Grenada will benefit from over US\$30 million (EC\$81 million) in grants from this facility.

The funds will be used for the Grenada Water Supply Expansion and Sewerage Disposal Improvement Project; and the Western Corridor Road Rehabilitation Project.

Next week, I leave Grenada to participate in the UN Oceans Conference in New York—a conference to which, I am again proud to state, Grenada was invited to be one of the 14 Nations to Co-Chair. This is because of our leadership among Small States, on issues such as climate change, Blue Growth initiatives and our own economic governance successes.

This July, Grenada is also returning as chairman of CARICOM.

We are therefore hosting the Heads of Government Conference here in St George's from July 4th to 6th.

CARICOM continues to be an important mechanism for regional co-ordination and economic advancement.

There are many aspects of the regional grouping that could work better – but even with its shortcomings –it has served us well.

We need to deepen our economic integration and break down some lingering barriers to more open trade. Given the increasing challenges of security, and the threat of international terrorism, this will have to be one of our focal points moving forward.

The bombings in Manchester, England, last week, once again reminded all of us about the dangers of our times, which demand a smart approach by nations – big and small—working together. The issue of climate change and its effects on Small Island States such as Grenada, must also be a debate we continue to push, even though there is an attempt by some bigger nations to go back on the promises they have made to the world community.

The issue of peace and stability will also continue to be a goal for all of us in this region.

The challenges now faced by our neighbor Venezuela must concern us all, especially since there is a strong historic bond between our peoples.

The countries of this region are well placed to be honest brokers or mediators in that situation.

We are determined to extend the hand of friendship to help the peoples of our dear neighbour, within the context of constitutionality, law and order and respect for human rights.

And so, we will use our upcoming chairmanship of CARICOM for more aggressive advocacy on these important regional matters.

The West Indian endeavor is not dead. In fact, it is more relevant now than ever.

The unity we promote at home, must be extended abroad.

So too must the love and respect we show to each other daily.

And even while Grenada continues to evolve, so too must our institutions and the people therein.

It is an open secret that we are approaching an election period here at home.

This season must not be just about who will win the next election; but what sort of future we are determined to shape.

For a nation to remain viable, it must find creative ways to regenerate its spirit, to refresh its leadership and to inspire the youth to—sooner than later—take their rightful places.

This is why I have already indicated that this upcoming election campaign will likely be the last one in which I participate.

The process of transitioning to new leadership has begun.

It is in this context that our Deputy Prime Minister and long-serving MP for Carriacou, brother Elvin Nimrod has indicated that he will retire from frontline politics at the end of this current term.

Brother Nimrod has not just been Carriacou's most effective MP; and one of the most valuable contributors of respective cabinets I have led – but most importantly, he has been a loyal and genuine friend to me, in particular.

He has already indicated his plans to the party's constituency council in Carriacou and Petite Martinique, and within the next two weeks we will be in a position to name a caretaker for that constituency.

Several persons have offered themselves for service. We are pleased and excited with the potential caretakers. Each of those is more than capable of taking the baton being handed to them by Honourable Nimrod.

The campaign in Carriacou will – like the national campaign – be about pursuing a vision for the future.

But we must also make time for it to be a celebration of Brother Nimrod's legacy.

In 33 years, Carriacou and Petite Martinique have had four MPs. None has served longer; none has served better than Brother Elvin Nimrod.

This good and faithful servant of the people of Carriacou and Petite Martinique can retire with his head held high.

We will organize a fitting tribute at an appropriate time.

Another key member of our current team bowing out of frontline politics at the end of the term is MP Roland Bhola, the amicable lion from St Andrew's North East.

Like a world champion, MP Bhola is bowing out undefeated.

Since he came into frontline politics, I have always been impressed by his commitment to being a genuine team player and his no-drama approach to service.

At this stage of his life, MP Bhola says he wants a new and different challenge.

As the General Secretary of the New National Party, he wants to help the party establish a durable and sustainable foundation.

At his request – which we have acceded to – he will be the national campaign manager for the upcoming general elections and a full-time party organizer going forward.

The work in the constituency will be undertaken by a caretaker that we would also be in a position to name this month.

All this must make it clear to everyone that the New National Party is at a dual moment of the certainty of continuity and the excited prospect of change.

We are attracting more youth and more women than at any time in this party's history.

They are eager to make their own mark – and establish new paths – within the context of our history of achievement and leadership.

And so I have never been more hopeful about our collective ability to conquer new horizons.

We dreamt yesterday; we are delivering today, and a new hope fuels our passion for the future.

It is not so much that there is a destination we seek, but a journey to enjoy; an excursion that shall lift up our beautiful Nation.

Each one of us is called upon to take our place; to walk in power and to live a life of favour.

This Nation is great – and the God we serve is even greater. There are, therefore, no limits to what we can do. So let's keep moving.

I thank you.