

THRONE SPEECH 2013:  
**Uniting Grenada and Building The New Economy**

Delivered to the Houses of Parliament  
By  
Her Excellency Dame Dr. Cecile La Grenade, Governor-General  
On the occasion of the Second Session of the Ninth Parliament

Grenada Trade Centre

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10.A.M

Mr. President, Mr. Speaker,

Members of Parliament

Our Nation embarks upon this Second Session of the Ninth Parliament with a renewed sense of hope and opportunity.

Seven months ago, the people of this Country spoke in clear and unmistakable terms. They voted for hope, jobs and economic revival.

Seven months later, the political environment is stable, confidence is rising and hope is being restored.

Mr. President, Mr. Speaker,

My Government recommits itself to our time-honoured principles of peace, democracy, human rights, social justice and the rule of law.

On the initiative of my Government, the Integrity in Public Life Act has been revised to facilitate the commencement of operations of the Integrity Commission. As a consequence, new instruments of appointment have been issued and the Commission expects to receive its first declarations before the end of the year. The first persons to file will be members of

Parliament. They would be followed by Permanent Secretaries and other senior managers, Chief and Deputy Chief Executive Officers of statutory bodies and Chairmen of statutory bodies.

Mr. President, Mr. Speaker,

My Government affirms its commitment to constitutional reform.

Our Nation will turn 40 next year. Forty years signify growing maturity and a coming of age. It is therefore right and proper that our Nation considers the type of constitution that should guide our development for the next 40 years and beyond.

Accordingly, my Government, in our Nation's 40<sup>th</sup> anniversary of Independence, will put to the people, a referendum on a new Constitution for Grenada. The matters for contemplation and decision will include the structure and composition of our Parliament, accession to the Caribbean Court of Justice as Grenada's final Appellate Court and other relevant issues.

This referendum will be a defining moment in our Nationhood and an opportunity which must be fully grasped by all citizens.

Mr. President, Mr. Speaker,

My Government's foremost priorities in this Parliament remain: building the New Economy; investing in our people especially our youth; and uniting our Nation.

### *The New Economy*

The top priority of my Government is building the New Economy. Grenada's New Economy will provide jobs for those who wish to work; business opportunities for those who choose to invest; opportunity for wealth creation and prosperity for those prepared to sacrifice and play by the rules; and social justice for all who believe in equality and human rights.

The recent launch of the Small Business Development Fund and the planned injection of a further \$8 million from the CARICOM Development Fund to the Grenada Development Bank, bear testimony to my Government's commitment to the development of small businesses and job creation.

Many of my Government's plans and programmes for the New Economy will be presented in the new Growth and Poverty Reduction Strategy which will soon be circulated. This Strategy will include a Core Public Sector Investment Programme for the next five years.

A fundamental pillar of the New Economy is fiscal and debt sustainability. Consequently, my Government has embarked on a comprehensive programme of fiscal and structural reforms.

To this end, my Government will pursue a home-grown programme of fiscal adjustment and structural reforms with the support of the International Monetary Fund (IMF), and other development partners such as the World Bank, European Union, the Caribbean Development Bank, and the Department for International Development, Canada and the Eastern Caribbean Central Bank.

The main objective of this home-grown programme is to create conditions for higher economic growth that is both sustainable and job-creating.

This programme demands strong policy actions and will require all citizens to make some sacrifices. In doing so, we must be mindful of the sacrifices being asked of Grenada's creditors, at this time, and the financial and technical support of development partners.

That being said, my Government reaffirms its strong commitment to ensure that adequate safety nets are maintained throughout our home-grown programme to protect the poor and vulnerable in our Country.

Government spends 30 cents of every dollar on debt. This is the second largest expenditure after wages and salaries. Nevertheless, it must never

be forgotten that a significant portion of the Public Debt was contracted for reconstruction of our country following the devastation of Hurricanes Ivan and Emily.

My Government will proceed with a major restructuring of the Public Debt. Ultimately, this will result in a significant reduction in debt servicing costs, a reduction in the debt to GDP ratio and a reduction in debt per capita. This means Government will be able to spend a larger proportion of revenues on investing in the Grenadian people including training and support for small business development as well as providing key infrastructure. These investments will raise the long term growth potential of Grenada. As a result of the debt restructuring, there will be a stronger economy, higher growth, more jobs and timely debt servicing.

My Government has already started to engage citizens and social partners on Grenada's challenges and the way forward for the structural transformation of our Country. The pace and scope of these consultations will intensify in the coming weeks leading up to the presentation of the 2014 Budget.

The Book of Matthew, Chapter 22, verse 21 of the Holy Scriptures commands us all to *"render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's"*.

In our system of democracy, citizens pay their taxes and the Government delivers vital services to citizens.

The payment of taxes is not merely an act of compliance with the law but an act of civil duty and responsibility. Moreover, it is a veritable expression of patriotism.

Mr. President, Mr. Speaker

My Government is extremely concerned about the level of tax delinquency in our Country and will address this issue with strong resolve. Accordingly, a new policy for tax delinquents will be instituted **in our**

Country. In this regard, legislation will soon be introduced in Parliament to give legal force to this new policy.

All taxpayers must pay their fair share. Grenada cannot continue with the situation where the majority of taxes are paid by a few citizens while many others refuse to live up to their national responsibility.

Also of great concern is the lack of ethical standards in some revenue collection agencies of Government. These standards must be raised immediately. There will be no safe haven in the Public Service for persons whose job it is to collect Government's revenue but whose daily dealings deprive the Government of taxes to provide services to the people.

My Government commends the many honest and hardworking public officers whose professionalism and conduct are above reproach and encourage all public officers to follow those fine examples.

As part of putting the Nation's fiscal house in order, our Public Service must do more with less. My Government will continue its current waste reduction efforts which have begun to bear fruits. Areas of focus include: utilities, fuel, rental of buildings, and international travel.

My Government will continue cooperation with private partners for oil and gas exploration. Moreover, it will pursue partnerships with the Government of Trinidad and Tobago and other countries in this area.

The matter of the high cost of electricity cannot be ignored because it is now a binding constraint on Grenada's growth and competitiveness. Accordingly, my Government will bring to Parliament, amendments to the Electricity Supply Act. The areas for amendment will include tariff setting, use of renewable sources of energy and provision for the Eastern Caribbean Energy Authority to become the regulator.

Consistent with this thrust, my Government intends to purchase the majority stake in GRENLEC. The main goal is to reduce the price of electricity by encouraging competition at the levels of generation,

transmission and distribution. Let it be understood by all that my Government has no interest whatsoever in directly managing GRENLEC.

Mr. President, Mr. Speaker,

The New Economy will be a Green economy whose key ingredients are economic growth and jobs, social equity and environmental sustainability. To that end, Government will promote green lifestyles through incentives for investments in renewable energy technologies and national renewable energy and energy efficiency targets. Government is actively seeking grant financing to reduce the carbon footprint of major Government buildings such as the Ministerial Complex, the Financial Complex and the Ministry of Education Complex.

Grenada will continue to be a leading voice among small states on the burning issue of climate change, adaptation and mitigation.

Infrastructure is essential to raising Grenada's long term growth potential. Given Government's constraints, some of these projects will be executed through public-private partnerships (PPPs). To that end, my Government will soon establish a policy for PPPs. Furthermore, legislation will be introduced to ensure a strong legal framework for PPPs in Grenada.

PPPs will be pursued and welcomed in areas such as airport upgrade, health and wellness, tourism attractions and ICT. These projects are part of the Core Public Sector Investment Programme.

My Government will pursue an enlightened foreign policy that places the needs of the people of Grenada, Carriacou and Petite Martinique at the centre. As part of forging stronger trading links and business opportunities with Latin America and especially Brazil, my Government will soon introduce legislation to establish a free trade zone in Grenada. Moreover, the initial focus of this initiative will be a better and more profitable utilization of our current seaport and airport facilities.

Efforts will continue to improve market access opportunities for our exporters. A special focus will be an export strategy for services and the refocusing of the Marketing and National Importing Board.

As part of our quest to become a world class tourism destination, Grenada must have a modern institution to lead effective marketing of our destination. In this regard, my Government will complete plans for the establishment of the Grenada Tourism Authority.

There will be more targeted and aggressive marketing of our destination in concert with the private sector. My Government will also continue to review and rationalize its current airlift arrangements to ensure their cost-effectiveness and optimal impact.

Mr. President Mr. Speaker,

Agriculture has a central place in the New Economy as a major contributor to food and nutrition security, employment and foreign exchange.

My Government is deeply concerned about Grenada's high food import bill.

In this regard, my Government will seek to increase local food production with the provision of planting material and supporting investments in Root crops, Fruit crops and high demand crops.

There will be a strong emphasis on the replanting of nutmeg and cocoa and expansion of the emerging soursop industry. A small ruminants programme, as well as expansion of poultry facilities will be supported.

My Government will proceed with the refocusing and revamping of the Marketing and National Importing Board to ensure its primary focus is providing domestic and export markets for our farmers.

My Government will introduce and enforce measures to help farmers protect their production, including the possibility of creating a special night Court to facilitate expeditious handling of praedial larceny cases.

My Government will continue to explore a suitable crop insurance scheme to protect the investment of our Nation's farmers.

My Government will promote the commercialization of Government Estates to increase food production and job creation through public-private partnerships. No Government estate will be sold. I reiterate, Government estates will not be sold. In addition, all existing labour contracts will be honoured.

My Government will pursue an active ocean governance policy aimed at creating a bigger role for Fisheries in economic development. In respect of Fisheries, the priorities will be support for fish quality assurance; security of national fisheries resources and improved governance. These areas are important to ensure Grenada can continue to exports it fish to North America and Europe at good prices.

More support will also be given to fish processors.

My Government will continue to move steadfastly on the commitments made by leaders in April of this year, to preserve 20% of near shore marine resources.

My Government recognises the significant and positive impact of St. George's University on Grenadian life and the economy. New partnerships will be forged with the University in respect of a Nursing School, a world class Teaching Hospital; and health and wellness services.

Grenada's economic revival requires local and foreign direct investment. The 2009 Investment Promotion Act will be amended to empower the Grenada Industrial Development Corporation (GIDC) to become a more effective promoter and facilitator of local and foreign investments.

Mr. President, Mr. Speaker,

My Government is very sensitive to the plight of workers facing retrenchment due to corporate downsizing. As a consequence, my Government, very soon, will bring legislation to Parliament to exempt the severance pay of these workers from income tax. This amendment will be made retroactive with effect from January of this year.

## *Investing in Our People*

**Mr. President , Mr. Speaker,**

My Government affirms its strong commitment to providing better health care for all Grenadians. In this regard, a major thrust will be the strengthening of primary health care. Our people can expect to benefit from more doctors and nurses in the community, extended hours of service, and more diverse services at our health centres.

Work will soon commence on the upgrading of the General Hospital to address some pressing problems. This work will include: more space for Accidents and Emergencies, the Eye Ward and the Maternity Ward.

In respect of the New Hospital, my Government has reviewed the work commenced by the previous Administration and determined that it will proceed with the construction of a New Hospital. However, given the high cost of this Project and current fiscal constraints, my Government will seek grant funding for the New Hospital.

The establishment of a National Health Insurance Plan has been identified as a major priority by all the Social Partners. My Government eagerly awaits the recommendations of the Working Group. In the interim, the Ministry of Health is putting measures in place for the successful implementation of a National Health Insurance Plan. The ultimate aim is to guarantee all citizens a certain level of health care service and to ensure that those who cannot afford to pay will still receive the health care that they need.

My Government is very concerned not only about high level of unemployment but also the skills mismatch in respect of the needs of the job market. This situation will be addressed on several fronts including revision of the national training policy and priorities, areas of scholarships and the programmes of the National Training Agency.

My Government will continue to invest more resources in our youth thereby preparing them for the jobs in the New Economy and to be able to compete in this technological age.

My Government is very cognizant of the powerful role that Information and Communications Technology must play in the New Economy. In this regard, a comprehensive and integrated IT Strategy will be pursued to advance Grenada's development. Furthermore, my Government will pursue a public-private partnership to deliver broadband connectivity and tablets to students in our Nation's secondary schools.

The New Economy requires a more skilled and productive labour force. The economic revival of Grenada also depends on higher levels of productivity.

In this regard, the Government will work with the social partners to raise the level of productivity in our Country. To this end, a National Productivity Programme will soon be established.

My Government is very cognizant of the considerable housing needs of our citizens. In this regard, expanded programmes for house repair and affordable housing are high priorities.

In addition, a major focus will be preparation for Phase II of the Housing Programme with the People's Republic of China.

My Government will invest more in the House Repair Programme and establish a soft loan scheme for helping citizens to repair and possibly expand their homes. Public-private partnerships for low and middle income housing will also be pursued. Citizens will be expected to pay for these houses.

### *National Unity*

Mr. President, Mr. Speaker,

Uniting the people of Grenada, at home and abroad is a top priority for my Government.

To this end, my Government will continue to promote national unity by listening to the people and responding to their needs. In this regard, the Open Constituency Fora will continue as they provide an avenue for our citizens to hold Government accountable for its promises and actions and to express their needs and their dreams.

My Government is also deeply committed to the promotion of social dialogue through purposeful engagement with all social partners. In this regard, it will continue to accord the highest priority to the work of the Committee of Social Partners which comprises: Labour Unions, Businesses, NGOs, Churches and the Government. The purpose of the Committee is to advance national development through social dialogue, consensus building and national unity. An immediate objective of the Committee is the development of a social compact.

My Government welcomes and supports the initiative of the Committee of Social Partners to launch the National Social Partners Forum – a series of public engagements on issues of national importance.

Grenada needs all her sons and daughters in this process of economic revival and our journey to sustained growth and prosperity.

Our diaspora is invited to play an important role in building our New Economy by returning home and investing at home.

## **Conclusion**

Mr President, Mr. Speaker

My Government has set out its major priorities for this Parliament: building a new economy, investing in our people and uniting our Nation. The details for the second year of implementation will be set out when my Government presents the 2014 Budget in December of this year.

This is a special time in Grenada's history. This time requires national unity, hard work, and sacrifice of all citizens.

Let us unite to build Grenada.

May God guide you in all your deliberations and make you equal to the sacred trust bestowed upon you.

May God bless Grenada!