

THRONE SPEECH
April 3, 2014

“Going for Growth: Creating Opportunities”

Honourable Members:

We meet to launch the activities for a new Parliamentary year and to set out the next steps as we continue to improve the lives of our people and further develop our country.

Today, the state of our economy is stronger than it was one year ago. In this new spring, the signs of growth are appearing. The country has recorded three consecutive quarters of growth.

The year just ended, 2013-2014, was challenging.

The international economy remained sluggish and the balance sheets of many corporations continued to be impacted by low levels of consumer demand globally and locally.

Navigating these uncertainties required strong leadership and a steady hand. The Government was determined, and it stayed the course in respect of its economic policies.

Tough decisions had to be made. In doing so, Government relied on the understanding, resilience and goodwill of the Jamaican people. Our people have shown an awareness of the prevailing economic conditions. They have demonstrated their willingness to make the sacrifices to get our economy on the right path. Investors, both domestic and foreign, also made significant sacrifices.

We have forged a partnership with the people...we are creating a partnership society. Our country has maintained stability.

Despite the challenges, the Government is meeting its obligations to its international partners, restructuring the economy and improving our governance system for the benefit of our people.

Over **107** reform measures are being implemented.

In March 2014, we successfully met the third review of Jamaica's performance by the IMF under the Extended Fund Facility. This resulted in a further drawdown of approximately US\$71.4 million. To date, the Government has met all quantitative fiscal and monetary performance criteria under the programme.

The Government is also determined to reduce the huge debt burden which has limited our country's development. For many decades, Jamaica has borrowed too much and saved too little. In order to build a resilient economy, we must reduce our debt to manageable levels. As a country, we must begin to live within our means.

Honourable Members:

As we reflect on the past year, it is important to acknowledge your role in the passage of some significant pieces of legislation. **42 Bills** were tabled in the calendar year. That is nearly double the average of 22 **Bills** per year in recent times. Of those, **40 Bills** were passed by the Parliament.

These include:

- **The Fiscal Incentives (Miscellaneous Provisions) Act** to introduce a general system of tax incentives applicable across all industries, ensuring a level playing field for all investors.
- **The Securities (Amendment) Act** to ban unlawful financial organisations and to facilitate the regulation of collective investment schemes.
- **The Financial Administration and Audit (Amendment) Act; as well as The Public Bodies (Management and Accountability) (Amendment) Act** to introduce stronger fiscal controls for Government and ensure that our debt is reduced to manageable levels over the next decade.
- **The Companies (Amendment) Act** to provide for the use of a single form for the registration of companies and business names, making us more business friendly.

- **The Security (Interests in Personal Property) Act** to reform the collateral system in Jamaica and provide a modern, web-based registration system to reduce risks and enhance the flow of credit in our economy.
- **The Charities Act** to define and register Charities and give them "one stop" for accessing tax relief.
- **The Registration (Strata Tiles) (Amendment) Act** to improve the ability of townhouse and apartment schemes to manage, control and administer the common property and resolve disputes.
- **The Committal Proceedings Act** to replace the existing and outdated procedure of preliminary examinations with a paper-based system. It will seek to put in place new

committal proceedings in the Resident Magistrate's Court to determine if a case must go forward to trial.

- **The Proceeds of Crime (Amendment) Act** to bring the Act in line with international requirements and ensure that Jamaica achieves good standing with the International Financial Action Task Force.
- **The Criminal Justice (Suppression of Criminal Organisations) Act** for the suppression and disruption of criminal gangs which are behind about 70% of the murders in our country.

Honourable members, in the year ahead, some long-awaited Bills will come before you for deliberation and passage. Among these are:

- **The Integrity Commission Bill** to establish a single Anti-Corruption entity to assume the functions of the Commission for the Prevention of Corruption, the Integrity Commission and the Office of the Contractor General. The National Contracts Commission (NCC) will be placed with its own independent administrative structure.
- **The Evidence (Amendment) Bill** to provide for a more efficient trial process, by facilitating a more straightforward introduction of computer records into evidence. It will allow for the uncontested reports of experts to be admitted into evidence without the need to call the expert;
- **A National Disabilities Bill** to provide for further protection and legal entrenchment of the rights of persons with disabilities;

- **A Building Bill** to improve the efficiency of the building approval process and provide a framework for the effective management of the building industry;
- **A Bill to Amend the Administrator General's Act** to address the difficulties in the administration of multi-generational estates as well as the modernisation of the rules governing the probate of wills;
- **The Occupational Safety and Health Act** will provide the framework for securing the protection of workers. It also establishes a joint Health and Safety Council to monitor the safety and well-being of workers;

The Bills we have already passed and those that will come before you are part of the broader strategy of the Government's growth and development agenda.

Honourable Members, the Government has set some fundamental objectives for this Budget Year.

It will continue efforts to keep growing the economy, reduce the debt, and give our children a future of low inflation and full employment. We will continue the transformation in education and pursue the economic independence for our people.

Important gains have been made and the Government is determined to continue its efforts to alleviate social problems. Programmes aimed at promoting respect for life and stronger values will be implemented. The Government will be unrelenting in its efforts to reduce crime and build safer communities.

Honourable Members, in order to achieve sustainable growth, we must change the way we do business.

We are taking a joined up approach to the facilitation of business.

The **Public Sector Transformation and Modernisation entities** have been mandated to ensure, that **above everything else**, they focus on cutting the red tape, particularly with respect to the Development Approval Process.

We have already started with the Business Registration Super Form. This allows for the one-stop incorporation of companies and registration of business names as well as the provision of certification in relation to TRN, NIS, GCT, NHT and TCC for immediate business start-ups. We have also expanded e-services

to facilitate online applications for Tax Compliance Certificates (TCC) and Trade and Business Licences.

To promote small business development, the Government will intensify the implementation of the MSME policy.

The Government cannot do it alone. It recognises that the cooperation of all stakeholders, including the private sector, trade unions and NGOs, is critical to achieving the **Macroeconomic, Social and Growth Agendas**.

We have been proactive in ensuring that the **Partnership for Jamaica** succeeds. It was given new life in October 2012. This was followed by the historic signing of a social contract with the private sector, trade unions and civil society. The agreement focuses on four areas for the 2013-2016 period:

- Fiscal Consolidation (with Social Protection and Inclusion)

- Rule of Law Adherence (and Timely Justice Outcomes)
- Ease of Doing Business and Employment Creation and
- Energy Diversification and Conservation

The Economic Policy Oversight Committee (EPOC) co-chaired by Government and the private sector and the **Energy Monitoring Committee (EMC)** also co-chaired by the Government and the private sector are further examples of the inclusive and consultative approach that the Government intends to maintain.

We are making steady progress.

Among the sectors we will rely on to continue and sustain economic growth are Agriculture, Mining, ICT, Tourism, Construction and Housing.

AGRICULTURE

Honourable Members, It is anticipated that the **agricultural sector** will record significant growth this year. This follows strong performances in the second (5.4%), third (10%) and fourth (13.1%) quarters of the last calendar year.

Seven of the nine planned Agro-parks are in operation.

ENERGY

Energy remains a major challenge. While the process continues in relation to the significant baseload project, we are becoming more aggressive with the implementation of renewable assets.

Three companies are concluding arrangements to install 78 Megawatts of wind and solar generation.

The Government is determined to lead in the area of energy conservation and efficiency. We are already seeing significant savings with our joint GOJ/IDB project.

MINING

The state of the economies of the major markets for Jamaica's bauxite and alumina means that our local industry has operated at just over half its capacity for the last five years. We are, however, seeing a return to growth with 10% in the last quarter and we expect this trend to continue. Major plans are underway to reduce the dependence on oil at the JAMALCO and Ewarton alumina refineries with the use of alternative sources of energy.

ICT

The Government recognises the importance of growing the ICT sector. It enhances business productivity and competitiveness. It is also a source of significant employment of our people.

The Government has renewed the licences and issued new spectrum frequencies to our major telecoms providers. This is

valued at US\$110 million or approximately J\$12 billion. We anticipate improved services and the roll out of a full data network.

We are seeing growth return to the ICT sector with the expansion of Business Process Outsourcing (BPO) activities and in new areas like animation and software development.

Opportunities exist for those who wish to participate and contribute to the country's growth and development.

Work is proceeding to provide ICT access to citizens across the island. Eight hundred million dollars is being spent on 27 thousand tablets for schools which will begin arriving in May. In every parish, at multiple locations, we have provided public facilities where any Jamaican can have full access to a range of data services, including the Internet at broadband speed.

TOURISM

Last year, we welcomed for the first time our two millionth stopover visitor. For the first time, we also earned over US\$2 billion. This year, the Ministry of Tourism and Entertainment's priority focus includes increasing visitor arrivals; improving linkages between tourism and other sectors as well as enhancing visitor experience; strengthening and positioning entertainment as a tool for development; and improving the welfare of tourism workers within a sustainably managed sector.

CONSTRUCTION

Growth is returning to the construction sector. We cannot emphasise enough the importance of construction to the growth of the economy and the provision of jobs.

In the area of road infrastructure, the Linstead to Moneague leg of the North-South Highway will be opened to commuters in time for Independence. Work on the other two sections (Ferry to Linstead and Moneague to Ocho Rios) is underway and, in some instances, ahead of schedule. This US\$600 million investment will improve the ease of travel, reduce energy costs, provide national productivity gains and open more of our country to further development in housing and commercial activities.

As we move to develop our logistics capabilities, during this year, the privatisation of the Kingston Container Terminal (KCT) is expected to be completed, as well as the commencement of dredging of the Kingston Harbour.

Cabinet has approved the signing of a non-binding agreement between the Government, the Port Authority of Jamaica and

China Harbour Engineering and Construction Company (CHEC) to design, finance, develop, operate and transfer a Port Container Terminal in Jamaica and an Industrial Park. The Framework Agreement allows for an Environmental Impact Assessment (EIA) as a precondition for any further work. We continue to position ourselves to take advantage of the expansion of the Panama Canal.

Some of the projects, while game changing, will not bear fruits overnight.

SOCIAL PROTECTION

As we grow the economy, we will continue to focus on the social protection and upliftment of our people, especially the vulnerable.

The Government will spend over \$4 billion for the protection of vulnerable groups, including PATH beneficiaries, children, persons with disabilities, the elderly and the unemployed. Seventy five

million of this amount will be spent on Phase II of the Short Term Poverty Intervention Programme.

The Jamaica Emergency Employment Programme (JEEP)

will move into high gear during the new financial year, with a focus on community and labour-intensive projects throughout the country.

Special preference will be given to small contractors, registered by the NCC as Grades 3 & 4.

YOUTH

The Government places a premium on the young people because they hold the destiny of our nation in their hands.

This year will see the:

- The construction of more **Youth Information Centres**

- The Enhancement of the '**I Say I**' Programme which seeks to prevent and reduce the incidence of youth violence.
- The Strengthening of the new **NYS Graduate Work Employment** programme which has already placed over 350 University Graduates in work internships.
- **Expanding Youth training workshops.** Last year 9,000 youth benefitted from training and short-term work experience.

EDUCATION

Whilst education is a lifelong matter, it is largely one for the youth. Our initiatives, with the support of key partners, will have a positive impact on the development of our youth. In the education sector, we will see:

- The conversion of **70 basic schools** into **Infant Departments and Infant Schools;**

- The recruitment and deployment of **90 Reading Coaches** in **495** primary level institutions;
- The training of **100 Early Childhood practitioners**;
- The full integration of **TVET programmes and practices** into the formal education system;
- The implementation or **enhancement of ICT** to improve administration and curriculum delivery; and
- The modernisation of the **School-Feeding programme**.

SECURITY

Of all the challenges in the past 40 years, none has more threatened our sense of national well-being than the explosion of violent crimes. One does not have to be attacked to be a victim. The woman who runs to her car after leaving work at night is a victim. Those families locked up behind burglar bars are victims; as are the children who cannot go out to play or walk home from school without being afraid.

In December 2013, the Unite for Change (UFC) initiative, aimed at building a national movement to encourage positive social behaviour and promote a safer, gentler society, was launched.

This important prevention initiative was born out of the realisation that violence is the outcome of dysfunction at many different levels in the society including family, school, community, social services, and popular culture.

The year 2013 saw an increase in the number of homicides, however, in the first quarter of 2014, we have returned to a downward trend in all major categories of crimes. There is a 12% reduction in murders and a 13% reduction in the overall category of serious and violent crimes.

Police fatal shootings have been reduced by over 50%, reflecting better operational planning and improved community cooperation.

The long contemplated merger of the JCF and the ISCF has been approved by Cabinet and will be implemented in this fiscal year.

It will eliminate duplication in the command structure and release more personnel for operational duty.

Significant capital investment will be made to upgrade the technology available for the investigations and operations of the police, including communication, palm and fingerprint identification, and cyber forensic systems.

SPORT

Sport has been a unifying force in our country and is one area that gives us global visibility, glory and a competitive advantage.

Work is proceeding on the establishment of an **Athletes Insurance Fund**. The **National Sport Council** is working on plans for Financing and Economic Development; Athlete

Development and Well-being; Capacity-building and Infrastructure; Standards, Regulation and Anti-Doping.

HEALTH

The health of our people is critical to the development of our nation.

The Ministry of Health, in collaboration with the **National Health Fund** and the **CHASE Fund**, will be establishing two **Linear Accelerators** for improved cancer care in Montego Bay, St. James, and later at the St. Joseph's Hospital site in Vineyard Town, St. Andrew.

- The Ministry will continue to upgrade health facilities throughout the country. The establishment of a **Children's and Adolescent Hospital** in Montego Bay is progressing.

- Efforts are underway to reduce the burden of non-communicable diseases (NCDs) such as high blood pressure and diabetes and preventative deaths.
- The anti-smoking legislation is bearing fruit. Asthmatic admissions to hospitals have been reduced.

HOUSING

Safe, secure affordable housing is a basic human need and meeting the housing needs of Jamaicans is a major preoccupation of the Government.

During the last financial year, the National Housing Trust spent \$22 billion and for this year a similar amount will be spent.

The main areas of expenditure will be on open market loans, build on own land, home improvement loans and the construction of solutions, particularly, the small contractors programme.

During the last fiscal year, 2,700 housing solutions were completed and \$3.1 billion in refunds paid to 150,000 contributors. This year, the National Housing Trust will complete over 2,000 more housing solutions.

The **Ministry of Transport, Works and Housing** has also constructed houses across the island. Among them, traditional units and the unique programme between the JEEP Secretariat and Food for the Poor to provide solutions for needy households. Just under 1,200 units have been delivered since the inception of the project.

ENVIRONMENT

Jamaica has a number of environmental challenges to which greater attention will be given. They include the reduction of hillside erosion on farmlands and along roadways; the denudation

of the country's forests; the disposal of sewage, garbage; and, containers, including plastic bottles.

The recent launch of the **PET Recycling Project** is a small but important step in the right direction. It aims to reclaim 35% of plastic bottles over the first three years. This is another positive outcome of JEEP which will contribute \$50 million, supported by the private sector with \$23.5 million annually. At least 300 jobs will be created.

CLIMATE CHANGE

Apart from our people, the natural environment is our most precious resource. Its protection is critical to our economic and social development. This year the Government will:

- Increase awareness in the public sector and the wider society on climate change;

- Generate information to guide **Adaptation and Mitigation Strategies, Policies and Plans**;
- Develop technical expertise within the Climate Change Division of the Ministry of Water, Land, Environment and Climate Change; and
- Coordinate and facilitate Jamaica's strategic and unified position in regional and global negotiations.

WATER

The provision of potable water to all households is a priority of the Government. There is a comprehensive set of programmes and projects planned for the new fiscal year. One such is the rehabilitation of 26 well sources, pumping stations and reservoirs at a cost of \$1.7 billion. Some 750,000 persons will benefit.

FOREIGN POLICY

The thrust of Jamaica's Foreign Policy has been to fashion a strategic vision for the country's role in international affairs. Integral to this has been active engagement with other countries on matters of interest to Jamaica as a small developing country.

The third United Nations Conference on Small Island Developing States (SIDS) will be held in September 2014 in Samoa. The SIDS Conference will play an important role in placing the concerns of SIDS squarely on the international agenda. Jamaica will be focusing on the issue of Small States on many fronts, including within the Commonwealth, where Jamaica is a member of the Ministerial Open-Ended Group on Small States.

The year 2014 marks the 20th anniversary of the establishment of the International Seabed Authority in Kingston. The Authority has completed a number of regulations which govern the exploration

of the deep seabed and is about to embark on the process that will allow for active exploration.

Jamaica will continue to promote its national interest by increasing the level of consultation and engagement with the Jamaican private sector on trade policy. Through our overseas missions, we will continue to target business opportunities and investments.

The Government values the interest and support of the diaspora in the country's development and will continue to strengthen linkages. Work is far advanced on the development of a Diaspora Policy which will complement the National Policy on International Migration and Development.

CONCLUSION

Honourable Members, let us make this another year of action and achievements. Jamaicans want more focus on their lives, their hopes, their aspirations.

We can all agree that regardless of colour, class or party affiliation, there should be equal opportunity for all. Our success should depend, not on the circumstance of birth, but on the strength of our work ethic and the scope of our dreams. Every Jamaican child should feel that if they dream and work hard, they, like the Prime Minister, the daughter of a farmer and a housewife, and the Leader of the Opposition, the son of a civil servant and a farmer, can take on the mantle of leadership in our country.

My fellow Jamaicans ! Our economic freedom, and maintaining our strong democratic principles must remain our ideals. As we enter our 52nd year as an independent nation, let us together put

our shoulders to the wheel so we can create, build and expand the possibilities for everyone; promote justice, fairness and equality under the law, build stronger families and communities and a stronger and prosperous Jamaica.

We have triumphed too often to stop believing in ourselves and our possibilities. We are a great people, we are a great nation. Let us unite, let us build.

Honourable Members:

The Estimates of Expenditure will be presented later today. May the Eternal Father bless our land and guard us with His mighty hand.