



CLOSING BUDGET DEBATE PRESENTATION

Wednesday, March 21, 2018

**HONOURABLE AUDLEY SHAW, CD, MP
MINISTER OF FINANCE AND THE PUBLIC SERVICE**

A. INTRODUCTION

- a. I wish to once again thank the staff of the Ministry of Finance and the Public Service and other agencies for their assistance in the course of preparations for this Debate.
- b. I also wish to thank the Prime Minister, Opposition Leader, and the Opposition Spokesman on Finance for their contributions.
- c. It is also important to specifically recognise the essential role in the formulation and debate of the budget played by the public and by civil society, especially the press. There is a new energy among Jamaican taxpayers which I applaud.

- d. They realise that this budget is about their money and how this Administration will act as a reliable steward of their resources. **We must pass the People's Test.**
- e. In these remarks, I will (1) briefly outline a summary of the budget, (2) address some of the inaccuracies and misleading statements by the Opposition, (3) address some of the suggestions of the Opposition, (4) provide some third-party thoughts on our administration and budget, and then (5) make some concluding remarks.

B. SUMMARY OF BUDGET

- a. Mr. Speaker, let me begin with a brief summary of the budget.
- b. I would like to give thanks to Almighty God for bringing us safely to the end of another fiscal year. I would also like to thank the Opposition for working with us throughout the budget season.
- c. Mr. Speaker, we have tabled our supplementary budget, which involves the necessary tidying up that was needed, and have successfully laid a budget totaling \$774 billion, which is lower than the previous budget.
- d. The key highlights of our budget, Mr. Speaker, are:

- i. We successfully implemented the final phase of the \$1.5 million threshold increase plan in January 2018, which we promised.
- ii. We have outlined our detailed three-year, medium-term expenditure projections beyond the upcoming fiscal year. This is a historic first in the budget.
- iii. We have increased expenditure substantially in education, health, national security, and social programmes to protect the poorest and most vulnerable in the society, by a total of \$13 billion.
- iv. We have increased capital expenditure by \$15 billion, or 33%, to invest in productive infrastructure essential for us to achieve our economic growth targets.
- v. We have reduced debt service as a percentage of the total budget from 46% to 37%, which we believe will contribute to Jamaica's debt to GDP ratio falling below 100% for the first time in decades to a projected 94.3%.
- vi. We project in this new fiscal year that we will maintain a primary surplus of 7%, our economy will grow, inflation will remain within our target range of 4% - 6%, and that we will achieve the target wage to GDP of 9% by the end of the upcoming fiscal year.

- vii. Most importantly, Mr. Speaker, we have accomplished these levels of fiscal responsibility and increased social and capital expenditure without imposing any new taxes on the backs of the Jamaican people for the first time in 14 years. No New Taxes, Mr. Speaker.

C. LACK OF RESEARCH AND/OR DECEPTION

- a. It is incumbent on me to address several inaccuracies or half-truths by the Opposition Spokesman on Finance that, at best, reflect a lack of research or knowledge on his part, or at worst, represent a deliberate attempt to mislead this Honorable House or the people of Jamaica.
- b. The Prime Minister effectively corrected the false historical narrative of the Opposition Spokesman on Finance and the Opposition Leader about the origin of Jamaica's fiscal and economic crisis, which was primarily a result of the disastrous and devastating high interest rate and high inflation policies of the PNP during the 1990s and 2000s.
- c. In his attempt to portray the PNP as a party of fiscal discipline and responsibility, he made several demonstrably false claims. For example, he stated that the PNP "established Tax Administration Jamaica as a semi-autonomous revenue agency with its own Board to provide policy guidance and good governance."

- d. Here are the facts: The JLP Government launched a comprehensive tax reform programme in 2009, which led to the establishment of the TAJ as a semi-autonomous revenue authority by the JLP in May 2011. As a wise man once said, “Facts are a stubborn thing.”
- e. On economic issues, the Minister has once again either not done his research properly or is attempting to mislead this Honorable Body. Both the Opposition Spokesman and Opposition Leader claimed that the JLP “inherited the national debt at close to 150% of GDP in 2012.” This is again false. The actual national debt in 2012 was 131.3%, far less than the 150% claimed by the Opposition Spokesmen.
- f. In fact, Mr. Speaker, the national debt was actually on a downward trend under the JLP Government at the end of our term, particularly after the implementation of historical Jamaica Debt Exchange conceptualized and implemented by the JLP Government of which I was Finance Minister in 2010. As a factual matter, the debt to GDP ratio actually fell between 2010 and 2011.
- g. The Opposition would also have us believe that they reduced unemployment when the PNP took over. The facts show otherwise. In 2011, when this Government left office, unemployment was 12.8%. After the PNP came back into office, unemployment grew to 13.9% in 2012 and peaked at 15.3% in

2013. Since then, unemployment has been slowly declining and, under the JLP administration, the unemployment rate has fallen to a historical low of 10.4% in October 2017, from 12.9% when we took over the Government in 2016. Facts, Mr. Speaker, facts.
- h. The Opposition Spokesman also touted the PNP record of reducing inflation. In fact, in 2011, when the JLP Government left office, inflation had been reduced to 6%. When the PNP was in power, inflation again began to increase to a high of almost 10% in 2013, a 50% increase. Since that time, inflation has trended down significantly and is expected to end up at 4.5% in this Fiscal Year.
 - i. Mr. Speaker, the Opposition Leader stated that he, and I quote, took “this country from the brink of bankruptcy and disaster” when the PNP came to office in 2012. As my 8-year daughter, Christiana, would say, this is “pure foolishness.”
 - j. This is revisionist history and the facts tell a very different story.
 - k. The Prime Minister did an excellent job yesterday in explaining that the JLP Administration of 2007 – 2011 was the party that initiated the path of fiscal responsibility and stability which is bearing fruits today. It is we who planted the tree that is bearing shade today as far back as 2009.

- I. The Prime Minister highlighted yesterday that the JLP had (1) initiated the fiscal responsibility framework, (2) divested loss-making state entities, and (3) launched the historic Jamaica Debt Exchange in 2010. In addition, Mr. Speaker, when the JLP left office in 2011:
 - i. We had strengthened tax administration and introduced the Central Treasury Management system.
 - ii. Introduced the Junior Stock Exchange to attract small and medium-sized businesses to the capital markets.
 - iii. Reduced inflation to single digits (6%).
 - iv. Improved consumer and business confidence significantly.
 - v. Reduced Government Treasury bill rates to 30-year lows, into single digits.
 - vi. Increased Net International Foreign Exchange Reserves to close to US\$2Bn.
 - vii. Reduced our borrowing rates from the multilaterals to low single digit interest rates and on the international capital markets at a then-record-low of 7.95%.

- viii. And now, I should remind this house that we have once again reduced borrowing costs on the international capital markets to another historic low of 5.0%.
- ix. After debt increased during the global recession in 2008 to 2009, we started to reduce, let me repeat, REDUCE, Jamaica's debt as a percentage of GDP between 2010 and 2011; and
- x. We were growing the economy from negative growth to positive growth of **1.7%** in 2011 according to STATIN.
- m. This is not the track record of a bankrupt or profligate government, but of an administration that responded responsibly to the worst global recession in our lifetime and which put Jamaica firmly back on a path to growth. Those are the facts, Mr. Speaker, not the fairy tale that the Opposition Spokesman on finance would have us believe.
- n. I feel obliged to add, Mr. Speaker, that after experiencing 1.7% growth in 2011, the growth rates of the PNP for the next four years never exceeded 1.0%. Economic growth was minus -0.6% in 2012, 0.5% in 2013, 0.7% in 2014, and 0.9% in 2015. It was only after the JLP returned to power in 2016 that growth returned to above 1.0%, and was 1.4% in 2016.

- o. The correct historical narrative, therefore, Mr. Speaker, based on the facts, is that the JLP administration of 2007 - 2011 embarked on a path of fiscal reform and responsibility that was continued by the PNP in 2012 - 2016, and which we resumed when we returned to power two years ago in 2016.

- p. On economic growth, the Opposition Spokesman on Finance published a chart comparing growth rates under the PNP and the JLP over the past decade. Once again, Mr. Speaker, I am compelled to set the record straight.
 - i. First, using his own numbers, the economic growth record of the PNP in its last term was a paltry annual average of 0.7%. I pointed out already that the JLP handed over an economy to the PNP that grew at 1.7% in 2011. Using his numbers, the JLP track record of economic growth in the first two years of our administration is 1.1%, almost 50% higher than the PNP. Using his numbers, we have improved and are on the right track. And if we did not have the weather issues, our GDP number would have been closer to or over 2%. And there is more growth to come, Mr. Speaker, that is our focus and priority!

 - ii. Second, if we were to compare the JLP and PNP track records on growth since Independence, the cumulative real growth rate of the PNP over 28 years is 8.7% and the

cumulative real growth rate of the JLP over 23 years is 57.7%. Mr. Speaker, Argument Done.

- iii. Third, Mr. Speaker, during the first JLP Administration in the 1960s, average GDP growth was 5.7%, with a high of almost 12% in 1970. During the 1970s, Jamaica experienced negative growth for the first time under the PNP, with an average GDP of -2.3%.
 - iv. When the JLP returned to power in 1980, we returned to a growth path with an average of 2.2%, with a high of 8% in 1987. And during the disastrous period of the PNP in the 1990s and early 2000s, when global growth averaged over 3%, Jamaica's GDP growth fell to an average 1.5%. These are facts, Mr. Speaker, facts.
- q. On taxes, both the Opposition Spokesman on Finance and the Opposition Leader have provided incorrect and incomplete data to this House. They claim that the \$1.5 million plan only benefited a relatively small number of persons and cost the taxpayers \$31 billion. Here are the facts, Mr. Speaker:
- i. The JLP introduced a revenue neutral budget which involved taxes of \$27.3 billion, not \$31 billion.
 - ii. In addition, the number of persons who benefited from the \$1.5 million is approximately 213,000.

- iii. The Opposition Spokesman claims that the 213,000 persons who benefited from the \$1.5 million plan are, and I quote, the “rich getting richer.” We agree that these persons got more money in their pocket, but it is irresponsible and plain wrong to claim that these hardworking Jamaican taxpayers are “rich” when they are making less than \$1.5 million per year!

- iv. The Opposition conveniently omitted the onerous tax packages that they placed on the people of this country when they were in power that make our tax packages look more than generous. Here is the relevant comparison, Mr. Speaker:
 1. In FY 2012/13, the PNP took \$19.5 Bn in Taxes, and Gave Nothing Back, Net Cost \$19.5 Bn.

 2. In FY 2013/14, the PNP took \$15.9 Bn in Taxes, and Gave Nothing Back. Net Cost, \$15.9 Bn.

 3. In FY 2014/15, the PNP took \$6.7 Bn in Taxes, and Gave Nothing Back, Net Cost, \$6.7 Bn.

 4. In FY 2015/2016, the PNP took \$10.3Bn in Taxes, and Gave Nothing Back, Net Cost, \$10.3Bn.

5. In total, the PNP took a whopping \$52.4Bn over 4 years and gave Nothing Back.
6. When we assumed Government in 2016, we kept our \$1.5 million promise to the Jamaican people, and so, in FY 2016/2017, \$13.8Bn was in Taken in Taxes, and \$12.5Bn was Given Back. Net Cost, \$1.3 Bn
7. In FY 2017/2018, \$13.52Bn was Taken in Taxes, and \$13.5Bn was Given Back. Net Cost, \$.02Bn.
8. And for FY2018/19, in this budget, NO NEW TAXES. Net Cost, \$0.
9. So Mr. Speaker, under four years of the PNP, the total net cost of their tax package was \$52.4Bn. In the past 2 years, we had a total tax package of \$27.3Bn, and gave back \$26.0Bn. The net cost of our tax package is \$1.3bn.
10. The Bible says that the Lord Giveth, and the Lord Taketh Away. The JLP Government has subscribed to this precept. The PNP, however, has developed its own principle, which goes something like this: "The PNP Taketh, and Taketh More, and Taketh Even More, and Giveth Nothing Back."

11. The JLP, Mr. Speaker, is a party of **real** social justice and a Government that **truly** cares.

v. I should also add, Mr. Speaker, that the Opposition Spokesmen are being disingenuous when they say the poor have suffered under our tax packages because of the increase in bus fare and GCT on food and electricity. The facts, Mr. Speaker, are that JLP did not impose GCT on Basic Foods, on Electricity below 150 kwph, or increase bus fares. Let us be honest!

vi. And Mr. Speaker, the nature of our tax package was heavily skewed to indirect taxation thus bringing more Jamaicans into the tax net.

vii. Mr. Speaker, I have stated before that it is the policy of this Government to fundamentally restructure and overhaul our tax regime to make it more fair and equitable by moving from direct to indirect taxation.

1. Mr. Speaker, most of us benefit from using the roads, having the protection of the police, sending our children to school, and receiving health care.

2. However, there are hundreds of thousands of people in the informal sector Jamaica who are not paying their

fair share toward these basic services because they are not paying income taxes, a direct tax.

3. Direct taxes are taxes paid directly to the government, such as income tax and corporation tax, which a smaller number pay. Indirect taxes are those that are imposed on transactions involving goods and services, which are typically collected by intermediaries (such as supermarkets), and which almost everyone pays.
4. The policy of this Government is to move away from direct taxes – which place an unfair and undue burden on a smaller group of taxpayers, and to move towards indirect taxes, which are distributed across a larger number of persons.
5. In this way, the informal sector pays its fair share of the tax burden.
6. Here are the facts, Mr. Speaker. Jamaica has approximately 1.3 million employed persons, but fewer than 500,000 are on the income tax register. The 800,000 who are not on the income tax register are in the informal economy by definition.
7. The sad reality, therefore, is that the burden of taxation falls heavily on the captive PAYE workers – mostly

teachers, nurses, policeman, civil servants, administrative staff, and those employed to established companies.

8. Our policy is to change this and make the tax system more fair, equitable, and reliable and not fall disproportionately on our PAYE workers.

r. Mr. Speaker, the Opposition Spokesman falsely claims that this Government has failed to increase spending above inflation to various areas such as education, police, and health. Here are the facts:

1. In our budget, the allocation to the Ministry of Education, Youth and Information increased from \$98.9 billion to \$101.6 billion, an increase of \$2.7 billion! This is the largest allocation to any single ministry of Government and reflects this Government's strong commitment to education and the youth.

2. The almost \$2 billion increase in education spending comes against a \$5.2 billion increase that we allocated to the Ministry last year. This allowed the Government to move primary school allocations from \$850 to \$2,500 per child across the education system. We are putting our money where our mouth is!

3. Compare and contrast this Mr. Speaker with the Opposition who in 2013, while inflation was 9% cut the education budget by \$3 billion.
4. In addition, Mr. Speaker, the Government has increased allocation to PATH and to the School Feeding Programme by an aggregate amount that exceeds the increases over the four years of the last PNP government combined. This reflects this Government's commitment to protecting the poorest and most vulnerable in our society.
5. On crime, Mr. Speaker, the Opposition Spokesman accused us of having no crime plan, of underspending on National Security, and of reducing the allocation to the police by \$93 million. I have no idea where the Opposition Spokesman got his numbers.
 - a. The total allocation to the Ministry of National Security in Fiscal Year 2018/2019 is \$78.5 billion, significantly higher, almost 24%, than the \$63.6 billion in Fiscal Year 2017/2018. This demonstrates that this Government is serious about fighting crime.
 - b. In addition, Mr. Speaker, the recurrent expenditure on the Police Department has been

increased, not decreased, from \$33.5 billion to \$35.3 billion, an increase of \$1.8Bn. The Opposition Spokesman has simply misled this Honorable House.

s. Let me turn to the very important issue of the wage negotiations currently underway. I would like to read a quotation you may have heard before:

i. “What the government has offered in the wage negotiations is what we can afford at this time. . . . It might appear to some to be far easier to listen to the voices of political expediency and make commitments to wage increases which the present level of available resources could not support. To proceed on that path, however, would only end up reversing the progress we have made and betray the trust we have built locally and internationally. We would lose all the gains that the country has made thus far . . .”

ii. This is a quotation from the Honorable Leader of the Opposition. To paraphrase the Opposition Spokesman on Finance, where is the Peter Phillips of 2015 today? He has sacrificed himself at the altar of political expediency.

iii. I would like to quote from the Editorial in today’s Jamaica Observer. “Dr. Phillips called on the Government to pay the additional wage demands of the public sector works above

the 16 per cent offer. However, he, more than anyone in Jamaica, knows that the offer is the maximum possible at this time, while sticking with the IMF programme. He knows that going beyond the 16 per cent would mean Jamaica immediately breaking with the IMF and derailing the programme that has set the country on the path to growth. It seems that the strategic programme he fought so hard to resurrect is now of less importance than his resurgent political ambition.”

- iv. Mr. Speaker, we have been negotiating in good faith with the workers. The Opposition Spokesman was irresponsible in his accusations that this Administration violated international labor laws by agreeing to make payments to workers prior to concluding wage negotiations.
- v. I am pleased and proud to announce today, Mr. Speaker, that the nurses and the teachers just yesterday have accepted our offer to pay the 5% retroactive back pay to April 2017. This payment is being treated as a non-prejudicial advance payment which will in no way compromise our on-going negotiations, which continue.
- vi. To be clear: we must make the retroactive payments in this fiscal year because to do it next year would violate Jamaica’s Fiscal Responsibility Law. Please remember that these payments in no way limit the rights of the trade unions

to negotiate a new wage agreement. It is simply a pre-payment that would otherwise have to be delayed to 2020. The workers deserve their money now!

- vii. I urge the Police Federation to also come on board no later than tomorrow so that we can pay our hardworking police men and women their 5% retroactive pay to April of last year without prejudicing our ongoing negotiations. Our police men and women need and deserve their back pay like everyone else.

- t. Mr. Speaker, I am also compelled to respond to the assertion by the Leader of the Opposition that this Government gave up \$4 billion in bauxite levy proceeds which could have been used to pay the workers. Let us look at the facts.
 - 1. First, Mr. Speaker, when the JLP returned to government in 2016, we found the bauxite industry in shambles.

 - 2. Noranda was in arbitration with the Government, its parent company had filed for bankruptcy in the US, and a letter of credit that the Government could have drawn on – for US\$12.6 million – was allowed to expire.

3. In addition, **Alpart's** plant lay rusting, shut down since global aluminum prices collapsed in 2009. The PNP government's efforts had not borne fruit. There was no levy from Alpart.
4. Further, **Winalco** had not paid any levy from October 1, 2012 to September 30, 2015, at a cost of \$3.8 billion – under the PNP administration.
5. Although international aluminum prices had recovered by approximately 77% from the lows of 2009, the industry remained in poor shape under the PNP.
6. Mr. Speaker, this JLP administration sought to rescue this vital industry. We completed talks with JISCO/Alpart, thus allowing them to make an investment of over US\$300 million to purchase the plants from UCRusal and put in additional investment to restart operations in June 2017.
7. Today, JISCO employs over 700 fixed term or permanent employees who are Jamaicans and 165 local contractors who in turn now have the opportunity to hire workers of their own.
8. I should add that after extensive negotiations, JISCO is planning to invest over US\$6 billion more in Jamaica,

which involves building a second alumina plant as well as a major industrial and agro-industrial complex that involves working with small farmers to produce a wide range of fresh and processed agricultural products.

9. In addition, Jisco plans to establish an industrial processing center to manufacture aluminum foil and other products for export into the Western hemisphere. This investment would also serve to attract other companies to invest in the special economic zone. I met just this week with representatives of three other large companies that have expressed a strong interest in establishing operations in the industrial park.

10. With **Noranda**, we completed the arbitration hearings and negotiated new ownership (aptly named New Day) to take over the St. Ann operations, saving 300 jobs. We rescued the US\$12.5 million letter of credit that had expired. Now, we have implemented a profit sharing regime.

11. At Windalco Ewarton, the latest concession ends on March 31, 2018, at which time the company is expected to revert to the standard fiscal regime. Windalco Ewarton employs over 1,000 persons directly and hundreds more in the surrounding community, is one of the largest tax contributors to the Jamaican

economy, and is currently undertaking a US\$122 million (J\$15.4 billion) Long-Term Capital Investment Program over the next five years.

12. Mr. Speaker, of significance, let us not forget Clarendon Alumina Partners, also known as CAP. The PNP administration of 1989-2007 was responsible for negotiating a disastrous agreement when they agreed on a fixed price forward purchase for alumina with Glencore. When oil prices increased and the global price of alumina rose, the Government was forced to sell at the fixed price, and lost out on hundreds of millions of US dollars, perhaps as high as US\$600 million, which is almost \$77 billion. And they accuse us of being irresponsible? Shame, Mr. Speaker, Shame!

13. Mr. Speaker, all four companies in the industry continue to pay significant amounts in taxes today.

14. Mr. Speaker, the JLP took decisive and necessary action to save the bauxite industry. It is disingenuous and irresponsible for the Opposition to claim that this money was “given away” when we saved the industry, preserved billions of dollars in other tax payments, and provided employment for thousands of Jamaicans.

D. GOVERNMENT OF ACTION AND IMPLEMENTATION

- a. Let me turn to address the few areas of policy recommendations raised by the Opposition Spokesman on Finance and the Leader of the Opposition. As the Prime Minister pointed out so effectively in his presentation yesterday, this Government is one of action, results, and performance, while the members of the other side like to talk about ideas and make suggestions. They are a party of conceptualizers and dreamers, we are a party of builders and doers.

- b. In his speech, the Opposition Spokesman on Finance identified four areas that the next PNP administration will emphasise and prioritise. These four areas are land titling, early childhood education, unattached youths, and tertiary education.

- c. The good news for the Jamaican people, Mr. Speaker, is that these areas are where both sides agree must be addressed. The difference, however, Mr. Speaker, is that we are committed to getting things done and providing results. We are a party of action.

- d. The Prime Minister has addressed land titling and plans for unattached youth, as well as affordable housing. The Ministry of

Education has embarked on a program of certifying and upgrading our basic schools, which will continue.

- e. In addition, the Student Loan Bureau has increased the number of beneficiaries and amounts disbursed, and we fully intend for this number to grow. Fewer than 30% of our workforce has tertiary education, which is far less than some other countries in the Caribbean, which have over 50%, and others like the United States, which has over 80%. We can and we will do better.

E. LET OTHERS SPEAK

- a. Mr. Speaker, my mother always taught me to be humble and not speak highly of myself. So let me say a few words that others have said about us and about what we are doing in Jamaica.
- b. On March 9, the IMF published its Concluding Statement of the 2018 Article IV Analysis and the results of the Third Review of the Stand-By Arrangement. In that document, the IMF stated, and I quote:
 - i. “Considerable progress has been achieved on macroeconomic policies and outcomes. Fiscal discipline—anchored by the Fiscal Responsibility Law—has been essential to reduce public debt and secure macroeconomic stability. Employment is at historic highs, inflation and the

current account deficit are modest, international reserves are at a comfortable level, and external borrowing costs are at historical lows.”

ii. We are moving in the right direction.

iii. Ah noh mi say so, Ah di IMF!

c. The President of the Inter-American Bank, Luis Alberto Moreno, in February of this year, stated, and I quote:

i. “Jamaica is on the path to becoming the Caribbean’s first digital society and is positioning itself to make the giant leap forward to improving the lives of its people through digital innovation.”

ii. We are improving lives.

iii. Ah noh mi say so, Ah di IDB!

d. The United Nations recently published its annual Happiness Index, which ranks 156 countries by their happiness level, measuring issues such as income, healthy life expectancy, and freedom.

e. In the 2018 report, which was just recently released, Jamaica moved up 20 spaces from 73 with a score of 5.513 to 56 with a

score of 5.890. This improvement represents a turnaround from the 2016 report when Jamaica had the 12th largest rate of decline in happiness amount the countries in the report.

- f. Jamaicans are clearly happier today than they were two years ago. Ah no me say so, Ah the United Nations!
- g. The Opposition Leader accused the JLP of “failing to take a firm stand against corruption.” Really, Mr. Speaker? What are the facts?
- h. Mr. Speaker, last year, this Government piloted the passage of the long-awaited Integrity Commission Act to establish a single anti-corruption body to investigate and prosecute corruption in Jamaica. Action, Mr. Speaker, not bag a mout!
- i. This is in part, Mr. Speaker, why in the most recent version of the Corruption Perception Index (CPI) report by Transparency International made public in February 2018, Jamaica made significant strides in tackling corruption, surging 15 places to 68.
- j. These findings were made public by the Executive Director of National Integrity Action, and former PNP Senator, Professor Trevor Munroe, who announced that:

- i. “Jamaica’s performance in 2017 reflected an improvement in score on the corruption perception index from 38 to 44 on a scale of zero to 100 and a jump upwards of some 15 places from number 83 of 176 countries in 2016 to number 68 of 180 countries in 2017.”
- ii. Jamaica is making strides against corruption. Ah no mi say so, Ah Trevor!
- k. Mr. Speaker, the Opposition Spokesman of Finance also attempted to mislead this house by saying that this Government has, and I quote, “done virtually nothing in this vital area [of improving business conditions] in the two years since they assumed office.”
- l. To support his position, he cites the World Bank Doing Business Report, stating that Jamaica moved up from 85th to 58th place under the PNP, and since the JLP has come into power, Jamaica has dropped to 70th position.
- m. Mr. Speaker, the Opposition Spokesman is a lawyer and should do his research. In the actual Doing Business Report, the RAW SCORE for Jamaica in both report is the same – Jamaica has not gotten worse, others have simply gotten better.

n. The facts are Mr. Speaker that this Government has made significant strides in improving conditions for the private sector, including the official launch of the GOV.JM online portal last year, a one-stop shop for government-related information and services, GOV.JM will help to reduce cost while improving efficiency.

o. Mr. Speaker, the Opposition Spokesman on Finance also made reference to the Jamaica Chamber of Commerce Consumer and Business Confidence Index. Again, here are the facts, Mr. Speaker:

i. In the most recent survey prior to the General Election in 2016, both the Consumer and Business Confidence Indices were lower than 125 using their scoring methodology.

ii. In the two years since the JLP has been in power, both the Consumer and Business Confidence Indices have surged past 140. These are facts Mr. Speaker.

iii. In the past two years, businesses have become more confident about the future, and so have consumers.

iv. Ah no mi say so, Ah di Jamaica Chamber of Commerce!

p. Mr. Speaker, several members of the media and social commentators has also evaluated the budget speeches with

almost universal praise for our “No New Taxes Budget.” Here is just one example, Mr. Speaker [Lift up Newspaper]:

i. Mr. Dennis Chung wrote in an article in a national newspaper that this budget is the “best I have experienced to date.”

ii. Ah no mi say so, Ah Mr. Chung.

q. Finally, Mr. Speaker, the Opposition Spokesman on Finance surprisingly raised the recent Don Anderson RJR/Gleaner opinion poll, which questioned a cross-section of Jamaicans.

r. In that poll, which was released last week, respondents were asked who they would vote for if a general election were held at this time. Of those who indicated they would vote for a party, 57% indicated the JLP and only 43% indicated the PNP, a 14% difference. According to Anderson, the standings show that the JLP has greater support across all the categories polled, when compared with the opposition PNP.

s. I would not normally raise an opinion poll in a budget debate, but since the Opposition Spokesman decided to raise it, I am compelled to respond.

- t. The Jamaican people prefer the JLP to the PNP to run the country, Mr. Speaker.
- u. Again, Mr. Speaker, Ah no mi say so, Ah di people of Jamaica. The true People's Test.

F. CONCLUSION

- a. The people of Jamaica have entrusted the members of this honourable house to represent their hopes and to provide strong and effective leadership in making those hopes and dreams a reality. We all have a responsibility as elected representatives to remain true to ourselves and our values, as well as to the needs and desires of our constituents.
- b. The expressions of divergent views is an essential demonstration of the strong democratic principles that we as a people hold so dear. We are an intense and passionate people and our politics reflect who we are.
- c. It is through this lively debate process that all parts of society have an opportunity to influence public policy and our national priorities. The policies debated in this house are not trivial. The macroeconomic program is not just about balancing numbers, it is more fundamentally and importantly about balancing and fulfilling the needs, dreams, and desires of the Jamaican people.

- d. It is about the fundamental transformation of our economy and of our society. Both parties should agree with the goal of prosperity for all Jamaicans. However, this is not possible without breaking with the failed policies of the past.
- e. I ask the members of this honorable house to lift their eyes beyond the horizon. I ask you to lay aside for a moment the contentious and divisive issues that must necessarily be debated with passion and intensity because they are so important to the Jamaican people. That is the essence and heart of democracy, which we all hold so dear.
- f. I ask you to join me in remembering that this budget debate is also about a much bigger picture. It is about Jamaica's past and about Jamaica's future.
- g. Since 1989, while the rest of the world surged forward, Jamaica has muddled through three lost decades. There have been advances over that period, but these are somewhat limited in number and scope.
- h. They fall far short of what the Jamaican people deserved **and deserve**. The actual cost to individual Jamaicans has not been counted, but its dimensions are immense:

- i.** Untold numbers of children have suffered an irretrievable loss of opportunity through inadequate nutrition, education, and nurturing.
 - ii.** Untold numbers of small and medium sized firms have been forced out of business in the most painful and heartwrenching manner, causing massive damage.
 - iii.** Untold numbers have been terrorised by crime and violence.
 - iv.** Our productivity levels have been in persistent decline for decades and so have our incomes.
 - v.** Our economy has not seen real growth since the 1980's when most of today's population were not even born.
 - vi.** Untold numbers of Jamaicans have lived and died without realising their dreams, no matter how humble.
 - vii.** And poverty has become a constant companion or an inescapable trap for far too many Jamaicans.
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- i.** We should be able to expect that our children will have a better life than their parents. Mr. Speaker, in the Jamaica of 2018 in which we live, this expectation is not a reality for many Jamaicans. The policies of the past have not served us well and their usefulness has been exhausted.

- j.** Visionary leadership is an essential part of the solution for a better and brighter future. The Prime Minister reminded us yesterday of the leadership displayed by then Prime Minister Golding in 2009 when he took the bold decision to forge a new path for Jamaica that would break with its disappointing past.
- k.** He gained national and international support for a historical program predicated upon fiscal responsibility, public sector transformation, and a sustained foundation for equitable growth.
- l.** We have once again been called upon to forge a solemn pact with each other and with the people of Jamaica to embark on a new path of national prosperity. The Prime Minister has asked us all to resist the temptation to celebrate when growth falters.
- m.** He has asked us to refrain from activities that will harm macroeconomic stability in the search for a few more votes. He has led by example in acknowledging the achievements of the Opposition. And I wholeheartedly agree with him.
- n.** We owe it to the Jamaican people to acknowledge when milestones are achieved. We all need to learn to say: “Respect due!” more often, even when it is our opponents who get the credit. We must transcend partisan politics.

- o.** The price we pay for mistaken and misguided policies is way too high. That is why this annual budget debate is so important. We must listen to each other more and seek to build on each other's advances.

- p.** We have all come to learn that it is Jamaica who loses when we seek to destroy what previous administrations have built. We must agree to exclude Jamaica's strategic national imperatives from our own petty partisan politics.

- q.** We should all agree that we need fiscal responsibility and discipline as an essential, if not sufficient, prerequisite for economic growth.

- r.** We should all agree that we need to remove red tape, improve the quality of public services, and reduce the overall cost of Government.

- s.** We should all agree that we need a trained and well-educated workforce, modern productive infrastructure, and a knowledge economy.

- t.** We should all agree we need to bring crime under control, restore law and order, and drive the scourge of senseless violence from our land.

u. We should all agree that we need to increase and improve our economic growth rates and raise the standard of living for all Jamaicans.

v. We should all agree we need to move from poverty to prosperity!

I pray that we will work together to ensure that when the history of this period is written, this will prove to have been a pivotal moment for Jamaica because we chose to look beyond our short-term political differences to embrace a better, bigger, and brighter vision for Jamaica.

For us to move from poverty to prosperity, we must understand that prosperity begins in the mind before it reaches the pocket.

We must therefore build our nation on the cornerstone foundations of developing the minds of our young people, respecting human life, creating stronger bonds of family life, and improving productivity at the workplace.

The Book of Isaiah Chapter 58, verse 12 states: “And your ancient ruins shall be rebuilt; you shall raise up the foundations of many generations; you shall be called the repairer of the breach, the restorer of the streets in which to dwell.”

Mr. Speaker, let us all commit to work together to be the repairers of the breach and the restorers of the streets in which to dwell. Let us work together to unleash the energy of the Jamaican people to express our ingenuity and industry to the benefit of all.

Let us pass the People's Test.

Thank you.

God bless you.

And God bless the people of Jamaica, land we love.