



GOVERNMENT OF BARBADOS



FEATURE ADDRESS

BY

**THE PRIME MINISTER OF BARBADOS
THE RT. HON. FREUNDEL J. STUART, Q.C., M.P.**

**ON THE OCCASION OF
THE BUSINESS LUNCHEON OF THE
BARBADOS CHAMBER OF COMMERCE AND INDUSTRY**

**AT
THE HILTON BARBADOS**

**ON
WEDNESDAY, JANUARY 24, 2018**

- Chairman
- Members of the Cabinet
- Members of Parliament
- President and Members of the Barbados Chamber of Commerce and Industry Council
- Executive Director and Members of the Barbados Chamber of Commerce and Industry Secretariat
- Members of the Diplomatic Corps
- Distinguished Guests
- Ladies and Gentlemen:

Opening Statement

I feel very honoured to be here today, at the invitation of the Barbados Chamber of Commerce and Industry, to join the members of the business community at what has now become a traditional start to the New Year in Barbados.

The Chamber of Commerce and Industry, constitutes one of the most important pillars in the Barbados economy.

I am aware that I engage with you at an important time of the year and at a pivotal juncture as we shape the next 50 years of our future as an independent nation. History will record this to be a signal period and I must at the very outset tell you that I am optimistic that we are laying the foundation upon which we will secure a bright future firstly for all of our citizens and equally for those who visit or call our nation, "home".

At the macro level, we are repositioning the nation to earn and carve its space on the global stage. At the micro level, I am sure that you too are refining and redefining your goals for the short and medium term. I sincerely wish you, your colleagues and your families every success as you pursue new ideals and new heights.

I extend congratulations to those of you who, as members of this distinguished Chamber, have remained focused, committed and who have stayed the course through the undeniably challenging times we have encountered.

Permit me also to thank the wider constituency of the private sector as well as the trade unions, both important players in our economic development, for their patriotism and the repeated demonstration of commitment to finding solutions to some of the most pressing challenges facing Barbados, in recent times - some might even suggest since Independence. It goes without saying that our future success will require sustained, intelligent and dedicated partnership.

I intend this afternoon to provide you with an update on our economy today and, more importantly, the sustainable development trajectory for 2018 and beyond.

As a post-colonial, small island, developing country, we recently celebrated our achievement of 50 years of Independence. In 2016 we underwent a period of deep reflection, and we are at this stage embarked on nothing short of a national transformational drive. As I have stated elsewhere this requires a strategic shift from an attitude of comfort and entitlement, to one of reaching up and at the same time of “giving back”. It will, at a minimum, require a commitment to responsibility and to productivity, and must be embraced by all persons in our society, and equally, by all sectors of our economy. It takes the concept of restructuring to a new level.

The Government, the private sector and the labour movement, members of our Social Partnership Tripartite and Consensual Model, will therefore have a critical role to play in the success of this national transformational drive. As we try to create a sustainable future, each of us must discourage the impulse to live only for today. We should not attach so much importance to our own enjoyment, our

own ease and our own convenience today that we forget our duty to our children and grandchildren who will follow us tomorrow. We should not mortgage or put at risk the potential or the prospects of those who are coming after us.

One of the defining features of the phase of the journey on which we are embarked must be realising our foreign exchange earning and saving potential through exports and import substitution initiatives, to help us to maintain the high quality of life to which we have become accustomed, without the benefit of the special preferences we have enjoyed in the past. Concomitantly we need to redouble our efforts to diversify and build a more resilient and sustainable economy.

As a society, we must shift away from being a nation predominantly engaged in buying and selling commodities to one oriented more and more to the delivery of quality services and niche products primarily for export. Our

recent ventures in the renewable energy sector, and our promotion of cultural industries through, among other things, the enabling legislation and the appointment of four Cultural Ambassadors, are good examples of where we can and have to go.

The global and regional stages are the background against which Barbados' current economic and social performance and prospects must therefore be reviewed. More importantly, they provide the context in which our future can be envisioned.

According to the January Global Economic Prospects report of the World Bank, the year 2018 is on track to be the first year since the financial crisis that the global economy will be operating at or near full capacity, "that is at pre-crisis levels". The World Bank forecasts that global economic growth will "edge up" to 3.1 percent in 2018 after a much stronger than expected 2017, as the recovery in investment, in manufacturing, and in trade

continues, and those developing economies which export commodities benefit from more stable commodity prices.

This year as well, growth in advanced economies is expected to moderate slightly to 2.2 percent, while growth in emerging markets and developing economies, led principally by those that export commodities, is projected to strengthen to 4.5 percent with the recovery of activity in the latter group continuing.

Notably, the World Bank Group President Jim Yong Kim at the start of 2018 has indicated that: *"The broad-based recovery in global growth is encouraging, but this is no time for complacency."* He also noted that: *"This is a great opportunity to invest in human and physical capital. If policy makers around the world focus on these key investments, they can increase their countries' productivity, boost workforce participation, and move closer to the goals of ending extreme poverty and boosting shared prosperity."*

It is against this background and on these tenets that the plans that I will share with you later in my address are based.

Regional Economic Context

The economies of most of the Caribbean Development Bank's (CDB) borrowing member countries recorded positive growth in 2016 and 2017. Notably though, the Region continues to be characterized as an area of low economic growth and high public debt. Indeed, more than half of Borrowing Member Countries are saddled with debt ratios in excess of 60% of GDP, including Barbados.

Economic Context of the Barbadian Economy

In reviewing the economic performance of the Barbadian economy over the past few years and the expectations for the year just ended 2017 it is observed that the trends in growth are very encouraging. There are, however, systemic risks which we must guard against and

therefore, we cannot rest on our laurels or become complacent.

Over the past two years, the Barbados economy has exhibited positive signs of recovery, after recording virtually no real economic growth during the prior six years.

In the main, the continued strong performance in long-stay tourism arrivals coupled with increased tourism based construction activity, has supported Barbados' recent economic growth. This has inevitably also assisted in creating more employment opportunities.

Notwithstanding these positive developments the economy is still faced with several challenges emanating from sources both internal and external to the country. In particular these continuing challenges have been in the form of moderate to low economic growth, declining

foreign reserves, a persistent fiscal deficit and high and rising national debt.

Real Sector Performance

After expanding by 1.8 percent in 2016, real economic growth was estimated to have expanded by a further 1.5 percent during the first six months of 2017 but this growth has moderated to 1.4 percent at the end of September 2017. For the year 2017, it is expected that growth will be slightly lower for the year as a whole, reflecting ongoing fiscal consolidation efforts designed to soften overall demand conditions, even as accommodating structures are put in place to contain the foreign exchange spend and maintain appropriate levels of foreign exchange, while implementing urgent reforms to support growth and improve the business climate.

The highlight has been the performance of our tourism sector, registering three consecutive years of growth. During the first half of the 2017, tourism value-added rose by an estimated 8.5 percent, buoyed by an increase of 7.5 percent in long-stay visitors, mainly from the United States, Canadian and Caricom markets, as well as a 24 percent rise in cruise passenger arrivals with the number of cruise ship calls being significantly higher than in the previous year.

These positive developments were largely the result of a rejuvenated tourism plant, expanded room stock, and higher levels of occupancy and tourism spending.

The construction sector also performed well during 2016 and in the first six months of 2017, on account of higher commercial and residential building and major tourism-related investment in the form of the ongoing Sandals Royal expansion.

In the context of the operation of the rule of law and for a variety of other reasons, the expected large infrastructural projects earmarked for construction, particularly the Hyatt Hotel, did not start in 2016 as originally projected.

Government will do its best to ensure that such vital growth enhancing projects now in the pipeline commence this year. This is needed not only to compensate for the expected contractionary effect which the fiscal adjustment measures are likely to have on the domestic economy during this year, but more importantly to boost the foreign currency reserves.

The international business sector continues to be an important pillar of the Barbados economy providing, over 4,200 full-time direct employment opportunities, among other benefits. Notwithstanding the fresh challenges and rife competition that continue to emerge, primarily from external sources, several investors continue to make

Barbados their domicile of choice, even though in 2017 there was a decline in the number of new licences issued. Domestically, we continue to seek to enhance our business facilitation efforts. Senator Darcy Boyce, to whom I assigned this special portfolio, has been instrumental in dealing with some of the bottle necks that have occurred. This continues to be a work in progress. The relevant government agencies are working to reduce and ultimately remove as expeditiously as possible, impediments to the smooth conduct of business in Barbados.

You should be aware that yesterday, Barbados was removed from the EU's list of tax havens. Earlier today, the Minister responsible for International Business, the Hon. Donville Inniss signed the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). I therefore take this opportunity to remind of Barbados' longstanding commitment to international best practice standards and

good governance in taxation. Collectively, the industry stakeholders will continue to ensure that Barbados is appropriately positioned as a preferred international financial centre. As a jurisdiction, we must enhance our service delivery and continue to exemplify the principles of efficient regulation, transparency and the attraction of businesses of substance.

The available data from the Barbados Statistical Service indicate that the average unemployment rate for the four quarters ending June 2017 was 10 percent, which is slightly higher than at the end of 2016, but lower than the comparable rate one year earlier. It is anticipated that unemployment levels will remain relatively stable around the 10 percent threshold at the conclusion of the year under review.

Domestic retail price inflation is trending upwards, reaching 4 percent at the end of October 2017. This compares with an inflation rate of 1.5 percent at the end of 2016. The higher inflation rate partly reflects the

impact of the increase in indirect taxation that was introduced as part of the fiscal consolidation process and the higher international fuel prices. Preliminary estimates suggest that inflation will remain just about 4.0 per cent at the end of the year 2017.

In relation to our international reserves, you will be aware that the measures introduced in May 2017, by the Minister of Finance, the Hon. Christopher Sinckler, were designed to curb the demand for imports, and therefore the demand for foreign exchange, particularly demand not directly related to the productive areas of the economy. While the international reserves at the end of September represented just around 8.6 weeks of import cover, we are aware that there are endemic challenges to stabilizing these levels as there will be events, such as large debt service payments and rising fuel prices, which can erode the small gains achieved through net project inflows, and foreign exchange earnings by the private sector.

It is noteworthy that preliminary estimates suggest that compared to the previous fiscal year, the fiscal deficit is on the decline, and according to my advice, in a sizeable way, despite there being some setbacks. The setbacks to which I refer are mainly as a result of unplanned delays in the sale of state assets, namely the Barbados National Terminal Co. Ltd (BNTCL) and the lower than expected yield (year to date) of the National Social Responsibility Levy (NSRL).

With the deficit closing last fiscal year 2016/17 at around 6.8 per cent, it is anticipated that this gap will be closed by a further 3 percent, therefore bringing the actual outturn very near to, or even surpassing, the intended target of 4.4 percent set during the budget estimates debate last year.

Against this background I now share with you the substantive plans intended to take us through to the next

phase of our journey as an Independent nation: upwards and onwards to the next 50 years!

Brief Review of Barbados' Sustainable Development Plan 2018

As Members of the Chamber are aware, in the May 30, 2017, Financial Statement and Budgetary Proposals, the Minister of Finance and Economic Affairs, The Honourable Christopher Sinckler, MP, announced that the Economic Affairs Division would spearhead the preparation of a National Economic and Social Development Recovery Enhancement Programme (NESDREP) in consultation with the Social Partnership.

The urgent request for this Framework Plan was restated by the Private Sector and supported by the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) and the Barbados Workers Union (BWU) at the meeting chaired by me as the Chair of the Social Partnership, on August 11, 2017. The hard work,

the leadership and the support provided by members of the Private Sector Association of Barbados, the Congress of Trade Unions and Staff Associations of Barbados, the Barbados Workers Union, and a team of public officers led by the Director of Finance and Economic Affairs and acting Head of the Civil Service, Dr. Louis Woodroffe and the Economists and staff in the Economic Affairs Division, enabled the Cabinet, on 21st December 2017, to approve the Barbados Sustainable Recovery Plan to be put in place in 2018 (BSRP). The urgency with which the Plan was approved by the Cabinet (a mere four months after the abovementioned meeting) is testimony to the importance and priority which we attached to this matter.

I must place on public record my commendation of this group of patriotic individuals for completing a comprehensive road-map, to respond to the economic and structural challenges at present confronting the Barbadian economy.

This roadmap provides a framework to return our economy, by the year 2021, to a path of 'steady state' equilibrium with a view to propelling the economy to the pre-crisis growth level of 3 per cent on average. Central to this plan is the Government's commitment to maintain its fixed exchange rate peg with the US dollar at US\$1 = Bds\$2, while simultaneously keeping people employed. I am convinced that these targets are achievable.

The "Barbados' Sustainable Recovery Plan (BSRP) 2018", has as its broad vision: **"A Society that is Economically, Environmentally and Socially Sustainable with a return to Investment Grade"**.

The

Plan has six (6) broad Goals namely:

1. to build a comfortable Net International Reserves Level by 2020;
2. to achieve fiscal sustainability through a balanced Budget by 2020/21;

3. to accelerate real Gross Domestic Product growth to reach 3.0 per cent by 2021;
4. to establish a credible and sustainable Debt Management Plan;
5. to enhance and safeguard the provisions for sustainable social development; and
6. to reduce the unemployment level on average to 8.0 per cent.

Outlined in the recovery plan are four (4) thematic areas representing the areas on which we must focus in order to attain the six (6) broad goals of the BSRP 2018. These thematic areas are accompanied by associated key performance indicators, timelines and accountabilities. The thematic areas are (1) Fiscal Sustainability, (2) Growth, (3) Foreign Exchange and (4) Social Services. Permit me to briefly set out some of the essential elements of each one.

(1) Fiscal Sustainability

As it pertains to the pursuit of Fiscal Sustainability, the Barbados Sustainable Recovery Plan captures fifteen (15) specific objectives aimed at creating efficiencies within the public sector while providing a structure where all the fiscal concerns can be addressed in a systematic way. It includes:

- a Comprehensive Public Financial Management Plan, with accompanying strategies;
- the introduction of a new Financial Management and Audit State Owned Enterprises Act;
- completion of the Tax Policy Reform and Tax Administration Upgrade Project, and the implementation of a single-window taxpayer information technology system;

- a policy on the payment of arrears with a plan for the systematic reduction of receivables and payables and Factoring, to assist in reducing arrears owed by government, and settling of private sector arrears owed to government;
- debt sustainability and management through fiscal reform and the implementation of enhanced debt management measures, including actions aimed at increasing the level of transparency in the public debt management system; and
- education and health financing reform through special mechanisms to help agencies such as the Queen Elizabeth Hospital and the University of the West Indies to be more self-sufficient in terms of their financing, for example through a special education and health fund.

In any analysis of fiscal sustainability, it must be recognized that salaries and wages represent the second largest public expenditure category in the approved budgetary allocations. It is imperative, therefore, that any wage agreements reached ensure that wage growth is in line with productivity levels in the public service as well as with fiscal and monetary policy objectives, and do not have the effect of distorting and undermining the current macroeconomic fundamentals.

In relation to the ongoing discussions between the Government and the public sector our hope that some measure of relief could be provided to public servants from the gains to be derived from the recently implemented National Social Responsibility

Levy (NSRL) was conditioned on what was actually achieved by the measure. Non-salary and salary alternatives are being explored to see what accommodation can be considered.

While we are desirous of providing a level of relief, let us be mindful that Barbados is not the only country in which public sector workers have experienced wage rigidity. In the United Kingdom, a developed G7 Country, public officers have experienced a wage freeze from 2010-2013 and a 1% cap in pay rise increases between 2013 and 2017.

We must remember that in Barbados, wages and working conditions in the public sector are comparatively higher than comparable average wages and working conditions in the private sector.

2. Growth

Growth is another one of the pillars of the Barbados Sustainable Recovery Plan. The growth recovery framework within the Plan, which comprises thirty seven (37) objectives and associated strategies, is geared towards stimulating investments and establishing an enabling environment for increased growth.

A key initiative is to enable a thriving and sustainable export sector driven by the Manufacturing and Agricultural sectors and the Micro, Small and Medium Sized Enterprises (MSME). This endeavour will, of course, be supported by fostering an enabling business environment through, among other things: a Product Development Programme; improved access to seed funding and credit, especially to MSMEs; active pursuit of very specific market

opportunities in targeted markets that can offer returns in the short to medium term. Markets such as Cuba, Panama, CARICOM, USA, UK and China; and a concerted effort to increase efficiencies of all sectors by encouraging local businesses to take advantage of the developments in science, in technology and in innovation.

The growth recovery framework within the Barbados Sustainable Recovery Plan also acknowledges the need for the development of a national trade facilitation roadmap, including the identification of barriers to trade, addressing in particular those challenges highlighted within the Doing Business 2016 and 2017 Reports.

A Competitiveness Commission and Operational Unit will be set up to drive implementation of the work currently being undertaken by the Tripartite Competitiveness Action Teams (CATs) set up by

the Barbados Action Team of the Social Partnership. These Competitive Action Teams are focused on improving output and efficiencies in areas like the Grantley Adams International Airport; the Bridgetown Seaport; the Town and Country Development Planning Office; and Tax Efficiency – with respect to the Barbados Revenue Authority (BRA) and the Customs Department. The Social Partnership will continue to be fully engaged in this project.

Productive sector reform will also be pursued, focusing on efficiency through reducing the cost of doing business and increasing the speed of critical government deliverables (for e.g. permits and planning permissions) in key sectors such as agriculture, manufacturing, construction, tourism, international business and energy in order to improve standards and the attractiveness of the country to domestic and foreign investors.

Initiatives include the building of capacity and efficiencies in a targeted group of export companies that, collectively, can significantly increase Barbados' exports, as well as the creation of a Comprehensive Renewable Energy and Energy Efficiency Incentive Framework Programme to advance the 100 per cent Renewable Energy Barbados-Policy Objective, and investments in energy efficient technologies to support increase job creation and economic growth.

We are projecting that we will be able, through this Government's energy policy, to better manage the costs associated with the importation and use of fossil fuels. This should enhance our foreign reserves position.

3. Foreign Exchange Measures

With regard to the recommendations for the preservation of the Foreign Reserves, the recovery framework contains two (2) critical objectives namely:

- (i) the development of a parallel approach where initiatives that earn foreign exchange are simultaneously used with those which save foreign exchange, to address the instability of the level of foreign reserves; and
- (ii) the expeditious disbursement of funds for the public sector projects.

The country's imports of goods and services are too high in comparison to our production of goods and services for exports which are too low. Our aggregate exports contribution to our foreign exchange earnings is therefore too low to compensate for the extremely high aggregate

level of imports that use up significant foreign exchange to purchase the same imports. So if there is a shortfall in net foreign inflows and since that shortage is not replaced by exports expanding by the same amount or greater than the decline in foreign exchange inflows, the foreign reserves will be drawn down to meet the relevant foreign exchange needs.

Clearly the future sustainability of our foreign reserves should be predicated on the country's ability to earn foreign currency as opposed to Government continuously having to go to the international markets to borrow to prop up our foreign reserves. Such activity accumulates foreign debt and is, in the end, not sustainable.

In this regard, I wish to call on the private sector to lead the effort to seriously grow our production export base to levels that would lead

to a 100% increase in our exports of goods and services, and to see, for example, manufacturing's contribution to our foreign exchange earnings surpassing the billion dollar mark.

4. Social Services

As stated previously, the Government will also seek to implement reforms that improve the efficiency in the public operations, while safeguarding the standard of living to which we as citizens have grown accustomed.

For this purpose, the BSRP outlines seventeen (17) objectives that aim to protect the poor and vulnerable within the society with a view to improving their quality of life and livelihood through employment opportunities, and the provision of social services aimed to assist those who cannot help themselves. This includes but is

not limited to the establishment of a means-testing framework and the development of a retraining and retooling programme.

Oversight and Implementation of the BSRP

To ensure the successful implementation of the abovementioned strategies, the BSRP has made provision for the monitoring and oversight of initiatives contained therein. The Oversight framework will be captured under the aegis of the Social Partnership tripartite arrangement, in which a sub-committee entitled the Social Partnership Oversight Subcommittee, will take charge of monitoring the implementation of the BSRP initiatives. The Subcommittee will comprise nine members with representation from the Government, Trade Unions and the Private Sector. It is anticipated that each party will appoint a Co-Chair, two members and three alternates to form the sub-Committee.

There is no diminution of the individual responsibilities of the Government, Private Sector and the Trade Unions to their respective groups. It is, however, vital that each sector commits to the implementation of the Programme. This will require securing the buy-in of the actors which each represents, and also active involvement in the performance indicators, timelines and accountabilities designed to make the programme work.

The Role of the Private Sector

I am today addressing the Barbados Chamber of Commerce and Industry, which was established in 1825, thus now about 192 years old. We recognize that a strong and vibrant private sector is very important for economic growth, particularly when Government's resources are scarce and it is unable to fully engage in activities to help fuel growth. My Government is therefore indeed deeply grateful, and is humbled by the overwhelmingly strong expression of support given by the membership of the private sector towards the development and completion of

the BSRP 2018. We recognize that a strong and vibrant private sector is very important for economic growth.

In the current low growth environment, government will have to play a stronger facilitation role by promoting a business enabling policy environment.

For its part, the private sector must seek to capitalise on opportunities to invest and to create wealth and employment. It must maintain a competitive edge by ensuring its goods and services are of a high standard and that the necessary work has been done to find markets and to secure financing. For a sustained economic recovery to be successful in the Barbadian Economy the private sector businesses have to perform at their very best in all sectors or industries with maximum facilitation support from the public sector.

In addition to the BSRP, I wish to draw your attention to National Investment Projects. With respect to these

projects a Project Formulation and Implementation policy will be part of a proactive effort to improve the execution of projects in Barbados, focusing on the public sector. The tourism sector will be an integral part of our recovery strategy, and I remind you of the US one billion dollar investment plan for Barbados already in place that will see the addition of over 2,300 rooms and the creation of 5,000 net new jobs in the economy of this country.

Update on the Investment Projects Programme

The update on this programme of projects is as follows:

- The first three (3) projects accounting for US\$230M in investment have been completed with the opening of Sandals Casuarina (280 rooms), the Sugar Bay hotel redevelopment (153 rooms) and the more recently opened Sandals Royal (220 rooms). These projects have created permanent employment for over 1,500 persons in

their operations as well as several jobs in the construction sector. Sandals has also announced plans for the addition of a further 50 rooms at Casuarina.

- Currently there are four (4) projects in the construction phase happening concurrently on the island, expecting to be completed between this year and next year and representing an additional 690 rooms, with prospective employment for a further 1,500 persons on completion. Together they account for an estimated US\$250M in investment. These are:
 - The Sands Condo Hotel (the former Sandy Bay Hotel);
 - The Seabreeze Hotel Expansion;
 - Accra Beach Development; and
 - Sam Lord's Castle.

Other Projects in the Pipeline

Various projects in the pipeline, scheduled to commence construction in the very near future, include:

Sandals Beaches (Heywoods)

Sandals Beaches, which will be located on the previous Almond Beach property in Heywoods, has signaled its intention to commence works on this project in the third quarter of 2018. This US\$400M project will consist of a 550 room family resort and will employ 1,800 persons on completion. It is expected that 2,000 persons will be employed during construction.

Hyatt Centric Hotel and the Bay Street Corridor

I am advised that the construction of the Hyatt Centric Hotel will now commence this year. This will consist of 300 rooms and will employ about 450 persons.

Bay Street Corridor

Other projects under consideration include a new 150-room condominium hotel for the Bay street corridor, expected to employ over 200 persons permanently on completion.

All in all, we continue to be on track for the creation of over five thousand jobs by the year 2020. This can result directly and indirectly in the creation of fourteen thousand jobs which will go a substantial way in reducing our unemployment to more manageable levels.

Many of you in the audience today in some measure, be it large or small, rely on the tourism industry to help sustain your business operations. This investment program, while providing the necessary foreign direct investment and the creation of jobs for our young people, will increase the earnings for your operations and

stimulate growth in the economy from construction to operation.

Public Sector Investment Programme

In addition to the above mentioned tourism investment projects, during 2017, Government's Public Sector Investment Programme (PSIP) continued in earnest, with the major investments in 2017 being concentrated in the areas of infrastructure, environment, roads and institutional strengthening and capacity building. The Government has already signed a five (5) year programme with the IDB for the Road Rehabilitation and Improving Connectivity of Road Infrastructure Project in 2016 for US\$25.0M. Some road works are expected to commence in the first half 2018 after the contracts have been awarded.

We can add to this the Development Bank of Latin America (CAF) Road Works Phase I Project for US\$8.0M, which is expected to commence this year. This includes

the rehabilitation of just upwards to 7 km of key segments of the primary road network.

The Ministry of Transport and Works (MTW) will be continuing its Mill and Pave Programme Phase II, which will continue the resurfacing of sections of the road network throughout the island, involving the rehabilitation of just upwards to 7 km of key segments of the primary road network, including drainage, construction of sidewalks, bridges and culverts and safety features.

The Government of Barbados has also signed four (4) new Loan agreements totaling approximately US\$63 M in 2017 with the Caribbean Development Bank (CDB), the Inter-American Development Bank (IDB) and the Development Bank of Latin America (CAF) respectively. The programmes involved were:

- (i) the Student Revolving Loan Fund Loan and Grant agreements for US\$7.5M and US\$250,000 respectively;
- (ii) the Constitution River Flood Mitigation Project (Phase III) Loan and Grant agreements for US\$6.8M and US\$250,000 respectively;
- (iii) deployment in the use of Cleaner Fuels and Renewable Energies in Barbados, a loan of US\$34.0M; and
- (iv) the Tax Administration Infrastructure Reform Programme for US\$15.0M.

The Government of Barbados will also be starting a number of new projects in 2018, namely:

- (i) the National Tourism Programme for US\$20.0M from the Inter-American Development Bank;
- (ii) the Grantley Adams International Airport Pavement Rehabilitation Project (Runway) for

approximately US\$40M from Canadian Commercial Cooperation (CCC).

(iii) the design and construction of Berth 6 at the Bridgetown Port for approximately US\$60.0M; and

(iv) the Water Infrastructure Rehabilitation Project with the Development Bank of Latin America for US\$10M.

The Way Forward

Our work has only just begun since the efficient implementation of the strategies, programmes and projects contained in this Plan will represent the yardstick of our successful journey towards the achievement of a full and sustainable economic recovery.

During 1991-1993 we learnt that in order for the Barbadian economy to post successful year-end results we need harmony between three key players: entrepreneurs, or owners of capital; workers; and the Government. If the

cooperation of any one of these is missing, if the quality of any of these is compromised, our vehicle starts taking us faster downhill, and eventually runs out of control.

As I indicated to this Chamber in January 2015 at this same location, “we cannot run away from the battlefield but must claim our space and fight to defend it”. I have assured you over and over again since becoming Prime Minister of the Government’s commitment to private sector led growth. That commitment has not abated.

The opportunity to fuel a new paradigm, a new platform for sustainable economic development on which Barbados’ future success is based is one that excites me and is a path to which I pledge my allegiance.

The pathway to progress will not be easy. Quick fixes may not always be the prudent option to the challenges that will confront us. The plans we design today will no

doubt need to be revisited - that is the nature of the dynamic environment in which we live.

As Prime Minister, I pledge to lead the development of this nation's public sector in a national transformational drive that would allow it to work with the private sector and the trade unions at a new stage of the Social Partnership. This is aimed at securing for Barbadians the gains of past years and equipping them for meeting the future with hope.

Winston Churchill once said, and I quote: "*Success is not final, failure is not fatal: it is the courage to continue that counts.*" Since he was a public sector figure, this is very important from a public sector perspective.

If I take a view from Henry Ford of the private sector, "*Coming together is a beginning; keeping together is progress; working together is success.*"

But it is the words of President Theodore Roosevelt at the Sorbonne in France in 1910 that I want to leave with you:

"It is not the critic who counts; not the man who points out how the strong man stumbles or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strides valiantly; who errs and comes short again and again; because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause, who at the best knows in the end the triumph of high achievement and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat."

Together, let us work to safeguard a bright future for Barbados and let us work together to safeguard a bright future for generations to come.

I thank you.