



# **THE DIE IS CAST**

## **ADDRESS TO THE NATION**

BY

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## **PURPOSE OF ADDRESS**

Fellow citizens, I address you tonight on the date for the next General Election in our country.

As you are probably aware, the fifth anniversary of the last General Election is November 28, 2016. Our Constitution says in section 55(2) that “Parliament unless sooner dissolved shall continue for five years from the date of the first sitting of the House after any dissolution and shall then stand dissolved.” This would mean that General Elections are constitutionally due for the latest, three months after the first sitting of Parliament, which was held on January 05, 2012. In effect, the Government would have had until April 05, 2017 to call General Elections.

However, I have decided in the interest of our country to call the General Election several months ahead of its due date to ensure peace, stability and certainty in our country and its affairs. The Opposition United Workers Party has agitated for elections for months and on our side, the Saint Lucia Labour Party says, “we are ready.”

## **PASSAGE OF BUDGET**

You would have noticed that while there was a debate on the Estimates of Revenue and Expenditure for the Financial Year 2016/2017 - which of course, most members of the Opposition did not attend - there was no presentation of a Budget Address. The explanations for what appears to be unusual, are rather simple.

Section 79(1) of our Constitution requires that the Minister of Finance prepares and lay the Estimates of Revenue and Expenditure “before or not later than thirty days after the commencement of the financial year.” In turn, section 79 (2) of the Constitution provides for an Appropriation Bill to be introduced in the House of Assembly to authorize expenditure from the Consolidated Fund. These are the two fundamental requirements established by the Constitution to allow expenditure by the Government. Clearly, we need to ensure that any expenditure by the Government is fully authorized. And we have done so!

Given my decision to call the General Election just after the passage of the Appropriation Bill 2016/17, I

felt it best that the Government elected by the will of the people in the General Election which I am about to announce, be given the opportunity to present, within a reasonable period after the General Election, its economic and policy proposals by way of a Financial Statement to the House.

Incidentally, that was the view I held and expressed way back in 1997 when General Elections were held on May 23, 1997, just after the presentation of the budget in that year.

## **THE ISSUES**

We come to this juncture after four years of collective effort and sacrifice. These past four years have been a

period of adjustment for our economy and indeed, for all of us.

I remain eternally grateful to you for the support and understanding that you have shown for the adjustments we have made to ensure that our economy became stronger, better, and more resilient. Some of our measures were not always popular but it was never in doubt that the measures were implemented in the best interests of our country. By our common will and collective efforts, we saved our country from the IMF.

The results of our efforts have now begun to yield fruits.

Our economy has returned to growth. Last year, it grew by 1.3%.

We have reduced our fiscal deficit from 9.6% of GDP in 2012 to 3.1% in 2015. This is a remarkable reduction by any measure.

Our current account surplus increased to \$73.8 million in 2015/16. We also registered a significantly improved performance in the primary surplus, which grew to \$45.3 million in 2015/16 from \$3.7 million in 2014/2015.

Unemployment is finally trending downwards, from a high of 24.5% to 20% in the last quarter. There was a net increase in the number of employed persons by 3.8% to 77,131. In the Fourth Quarter alone, our

Labour Force grew by 5,220 persons. It is clear we are the only Government with a plan for jobs! We need to continue on our path.

Tourism arrivals continue to increase steadily. For the first time ever, we surpassed the one million mark for combined stay-over and cruise passenger arrivals.

The construction sector expanded by 7.4%.

Manufacturing too, is on the rebound. The sector grew by an estimated 13.7%.

Agricultural production, though uneven, is rising, with banana exports surging by 35.3%. Many of us may not be aware, but Saint Lucia is the only

Windward Island still exporting bananas to the United Kingdom.

Investment has also returned to our country. Currently, two major new hotels are under construction. Some 700 Saint Lucians are employed at the Royalton at Cap Estate; another 275 are employed at the Harbour Club in Rodney Bay. When the Royalton is completed, some 650 to 700 Saint Lucians are expected to find jobs. In the next few days, I expect a sod turning ceremony will be held to signal the construction of the new hotel, Sunset Bay Hotel, at "Sabwisha", in Choiseul. The developers have already paid for the land.

The local private sector too is investing in our country again. Unicomer Limited, the parent company of

Courts (Saint Lucia) is constructing its new headquarters. The Dayana Centre in the City Centre is nearing completion.

The public sector too is also playing its part! A sod turning ceremony has already been held to confirm the commencement of the Administrative Complex in Vieux Fort. Two new bridges, one in Thomazo and the other in Canaries are about to commence construction. Plans are now at an advanced stage for the commencement of the Secondary Roads Improvement Project to pave the way for the expansion of the Choc to Gros Islet Highway. The European Union has confirmed financing of a new bridge at Piaye and the reconstruction of the Venus Road in the Anse La Raye Quarter.

The prospects for the health sector are promising.

The creative industries have begun to take shape; youth and sports are in good hands.

We continue to educate the children of Saint Lucia to equip them to be the future drivers of our country's destiny. We provided our students from Form 3 to Form 5 in our secondary schools with Laptops. We plan to extend this programme to Form 1 of all our secondary schools.

We are well on our way to diversifying our energy needs by developing alternative sources of energy.

All over the country we are opening modern, state-of-the art Information Technology Centres to give all Saint Lucians free access to computers and high-speed internet for learning and entrepreneurship.

Our country is, once again, proud, resilient and on the move! However, it is also delicately poised, and all of these gains and the sacrifices we have made to get us here can be quickly undone and reversed by recklessness and irresponsible actions.

## **DELICATE CHOICES**

One such example is the recent opportunistic and bizarre proposal by the leader of the United Workers Party on VAT.

The leader of the UWP, at a recent meeting on the Boulevard, stated that his Party will do an “immediate reduction and ultimate removal of the dreaded VAT.” He added: “We will find a more creative way and less onerous way of raising revenues generated by VAT”. These are his words, not mine.

So in the mind of Allen Chastanet, VAT is “dreaded” and yet, at a Town Hall Meeting in Gros Islet last night at which some twenty persons were in attendance, he told his audience that “VAT is the best and most effective tax in the world. No argument”. Now, which is it? Ask yourself, why this incredible about turn and inconsistency?

In 2015/2016 our country earned \$346.37 million dollars from VAT. It is this revenue that pays for our nurses, doctors, teachers, police officers, civil servants, and repays our debt. For every 1% reduction in VAT Revenue, the country loses \$7.0 million dollars. The question then is this: what are the new “creative” measures, what are the new taxes that Allen Chastanet plans to impose on the people of Saint Lucia to make up for this staggering loss of \$ 346.37 million dollars in revenue?

In 2007, Sir John Compton announced in his only Budget Address before his death that his Government will introduce VAT. He said so in these words:

“Madam Speaker, I wish to draw to the attention of this Honourable House that

VAT is not a tax with which we are unfamiliar. We currently have on our books a number of transaction taxes such as the consumption tax, hotel accommodation tax and the travel tax.

It is more efficient to bring all those taxes under a single legislative and administrative structure

That would widen the tax base while easing the burden of existing taxpayers.

The VAT will not be another tax, but a replacement for some existing taxes.

It will be a broad based comprehensive and simplified system of taxation on

transactions. During the course of this financial year, we will be consulting with you on an appropriate schedule for implementation of this modified tax system.” [See Page 42 of the Budget Address, 2007/2008]

Sir John’s successor, Hon Stephenson King, in his 2011 Budget Address, reiterated Sir John’s comments promising to introduce VAT in April 2012. He prepared draft legislation and engaged civil society on the merits of VAT.

Apparently, the wisdom of Sir John Compton in announcing the introduction of VAT in 2007, was

conveyed to his successor, Hon Stephenson King, but somehow not to King's successor as leader of the UWP, Allen Chastanet, even though he was part of the Cabinet that made those decisions.

Our Government believes that VAT has settled reasonably well. It is not perfect. Adjustments may well be necessary from time to time but our number one priority must remain the creation of new jobs. And this will be the continuing focus of a new Labour Government.

We believe that more money must be put in the pockets of Saint Lucians by reducing on the number of persons who pay personal income taxes, reducing corporate income tax to encourage even more investment, and ensuring a fair and just property tax

regime. We believe that our revenue base must be protected to pay for hospital care for our people, pay our teachers to educate our children, provide more access to university education for our young people, and to protect our elderly, our poor and our vulnerable.

These are the issues before us.

## **DECISION TIME**

Fellow Saint Lucians, the die is cast!

The decision time has arrived!

Today, I advised the Governor General to dissolve the Parliament of Saint Lucia, and to issue “Writs of Election” to pave the way for the General Election.

The General Election will be held on June 06, 2016.  
Nomination day will be May 27, 2016.

Good night and may God bless and protect each and every one of you and our island home, Saint Lucia!

I thank you.