

Contribution to 2014 Budget Debate - Hon. Lillian Misick, OBE

Mr. Speaker, let me first of all say that we, the public at large welcome the news of the amnesty that NHIP will allow. I am also pleased that the perceived impasse between TCIG and Carnival with respect to the Infrastructure Fund has been addressed and the myriad projects enumerated by the Minister which were agreed just prior to the 2012 election will now come to fruition.

Mr. Speaker, the 76th Secretary of the US Treasury, Jacob Lew said "The budget is not just a collection of numbers, but an expression of our values and aspirations." The Minister of Finance has presented his budget around Fiscal change, economic growth and job creation, and I rise to make my brief contribution thus.

Mr. Speaker, while I note the Minister's comments with respect to the global financial crisis and that the Government is somewhat constrained by the requirements set out in the PFM Ordinance, it is noteworthy that there has indeed been an upturn in the global market which has had a positive impact on many sectors, and as such this should have impacted TCI in a positive way had the Government been proactive in its decision making as to the way forward.

Of great concern at this time Mr. Speaker is the fact that despite all that has transpired over the past two years, there is still no clear direction from the Budget presented to this House as to how the Government intends to honestly address the critical issues that affect our country and its people at this time, as it seems we are on a roller coaster with no end in sight.

Whilst there has been much political rhetoric and many eloquent quotes by men and women of great renown, there is a clear element that is missing - VISION - and the resolve to take those decisions that are best for our beloved country and the people, albeit they might not be politically correct or expedient.

This indecisiveness and lack of vision of this Government with respect to VAT, the Payroll Tax debacle and the rejection initiatives put forth by those who have a genuine love and concern for this country and our people, has now come back to haunt us as this Budget clearly sets out nothing to realistically alleviate the employment crisis, the immigration crisis, the health care crisis, and the lack of development in our country.

Mr. Speaker, I am extremely pleased that so many projects are on the table for development, however given the scope of the proposed developments and the referenced time frames, it is quite clear that these projects will have little or no positive impact or benefit to our people in the short term which is now a crisis. The Minister acknowledge the snail pace with which development projects move. In his address yesterday he said " Yes, I must admit that whereas we have been able to attract a number of investment projects, these major projects have a lengthy planning cycle, and in some cases the implementation process has been slow, tedious and sometimes frustrating, as government try to balance the need for concessions against benefit for the masses." Mr. Speaker, I believe that if there is anything that our people have learnt from past experience, it is that these grand development ideas rarely if ever come to fruition.

Mr. Speaker, much has been said in this House about the need to put partisan politics aside and the need for this House to work together for what is best for our beloved Country and its people. However, based on this Budget, clearly it is merely lip service for many of the good recommendations put forth for the benefit of our people are not incorporated in this Budget.

Mr. Speaker, there is a common saying in this country, 'Grass Green and Horse starving, better days are coming'; Mr. Speaker, whilst indeed the prospect of better days are quite comforting, the critical and urgent question which needs to be answered is how do we provide relief to those that are losing their homes, businesses and are unable to even meet their basic needs? One has only to look in the newspapers at the number of homes up for foreclosure, the closure of businesses, and those on the brink of closure as cited by Radio Turks and Caicos just yesterday. This Budget Mr. Speaker speaks to none of those critical issues and indeed if and when they materialize, unless this Government takes a different approach to good governance our people will indeed be on the outside looking in as spectators, where indeed many are at the present time as there seems to be no representation for those that need it most. The reference that the Minister of Government Support Services made about the changed landscape in Westroad, is a testament to this; how many TCIslanders are the true beneficial owners of this change?

Mr. Speaker, the Government has made much of the recent credit rating, and rightly so, but this does not in any way, shape or form positively impact the lives of our people in alleviating the hardship they are confronted with on a daily basis. Much mention was made of the impact this rating will have on our ability to refinance our debt in 2016 and I concur that there would indeed be positive benefits should this rating be maintained, and I stress **SHOULD**. For the record, this rating is not a carry forward rating but one which must be maintained through prudent financial management. "And Standards & Poors Rating Services, stated that the outlook on the long term ratings is stable, reflecting their expectation of continuity in economic policies over the next two years," as stated by the Minister. In a recent television interview the Minister of Finance acknowledged that this is indeed a spot position and if we are to maintain such even **MORE** stringent measures must be implemented. Are we in for a shock and surprise going forward? What is really the Government's plan going forward to provide relief for our people other than flowery rhetoric. Mr. Speaker, I note no such allocations in the Budget that will provide the stimulus needed to turn this country around.

Mr. Speaker, increasingly economic development experts are abandoning traditional approaches to economic recovery that rely on large enterprises with tax breaks, financial incentives and other inducements set out in complex development agreements that bear no fruit. Instead, they now focus on providing incentives for the development of small businesses from the ground up, and supporting the growth of existing enterprises.

The approach has two complementary features; the first is to develop and support entrepreneurs and small business. The second is to expand and improve infrastructure and to develop or recruit a highly skilled and educated workforce. Both efforts depend in large part on improving the quality of life in the community and creating an attractive business climate. The reason for the shift in approaches is clear. Experience suggests that economic strategies aimed at large firms are unlikely to be successful - or successful only at great cost. Smokestack chasing can be especially costly if it generates competition for firms among jurisdictions. Further, because of the purported job creation role and innovative prowess of entrepreneurs and

small businesses, creating an environment conducive to many small business is not just essential but critical.

Mr. Speaker, I commend the Minister for the stance he has taken to amend the business licensing regime to facilitate a more efficient and expedient process to attain a business licence. However, Mr. Speaker, what our people need at this time is access to capital which would allow them to make their dreams and aspirations a reality. The Minister of Finance speaks to credit unions as a source of funds, however, if one truly understand the concept of credit unions one would know that a savings institution is not the answer. One can only borrow from a Credit Union if they have funds in it. In the meantime, where will our unemployed and disenfranchised people get money from in this present economy? Mr. Speaker, it seems that the thrust of this Budget and the philosophy of this Government is to take as much as you can and not to give. What our people need at this time is gainful employment, access to capital and the opportunity to engage in small business start-up which is the back bone of any economy.

I believe Mr. Speaker that the government needs to become more proactive and explore avenues where funding and skills can be acquired and transferred. I have read very carefully the Minister' submission on his efforts to enhance the SME sector in the TCI. (Page 27) Sadly, Mr. Speaker, we continue to expend resources duplicating consultancy, resources that could be better utilized. I know Mr. Speaker that the Minister will likely reference the 15 million Euros approved from the 10th EDF. This project does not Mr. Speaker provide the much needed access to funding that small businesses really need, despite what can be inferred from the Minister' statement (pg 30) Let me tell you what this project is about.

This project seeks to develop SME in the British and Dutch OCTS in the Caribbean. The specific objectives are:

1. To strengthen the capacity of Governments to serve the Business Sector
2. To improve the capacity of Business Service Organisations
3. To strengthen market for Development Services to Businesses.

There is nothing about making financing available for the SME sector.

VISION, Mr. Speaker is the key. This Budget Mr. Speaker lacks vision and a genuine entrepreneurial spirit. Mr. Speaker you are fully aware where there is a lack of vision or visionary eyes, the people perish.

Mr. Speaker, our people need relief and a clear vision for the immediate as well as the distant future. I reiterate, our people need ready relief, they need access to capital to be self employed and sustaining. I am afraid this Budget makes no such allowances.

