

## **BUDGET PRESENTATION FY 2009/2010**

- I. INTRODUCTION
- II. REVIEW OF ECONOMY FY 08/09
- III. MACROECONOMIC TARGETS FOR FY 09/10
- IV. NEW ECONOMIC FRAMEWORK & INITIATIVES TO IMPROVE GOVERNANCE
- V. HIGHLIGHTS OF EXPENDITURE BUDGET 09/10
- VI. FINANCING PROGRAMME 09/10
- VII. REVENUE PROGRAMME 09/10
- VIII. CONCLUSION

## I. INTRODUCTION

**We enter this year's Budget Debate in the midst of the most challenging global economy in our nation's history.** The world is experiencing a severe economic contraction not seen since the great depression over 75 years ago. All over the world: economies are slowing, businesses are closing and jobs are vanishing. Under this weight, some of the oldest and largest companies in the world have buckled. In this climate, economies many times larger and richer than Jamaica have collapsed.

The fundamental starting point for this debate must be to accept the full extent of our problems. **Let there be no doubt, we recognize and are realistic about the economic headwinds we face.**

**Our problems cannot be blamed on external events alone.** While some of the most immediate issues may have been *triggered* by external events, our fundamental economic problems were not *caused* by external events. The core structural deficiencies in our economy have existed for decades and are homegrown. It has been said, "*you only find out who is swimming naked when the tide goes out.*"

In the same way, the global crisis has revealed large imbalances that were allowed to persist and remain unaddressed for too long. A high debt burden, an inefficient and inequitable tax system, a broken energy infrastructure and a culture of corruption are not new and were all made-in-Jamaica by Jamaicans. **We cannot afford to sit on our hands and wait for an external recovery, the solution to this crisis must come from Jamaicans and must be made-in-Jamaica.**

**The Government, Opposition, private sector and civil society have the opportunity to address stubborn, long-lasting economic imbalances once and for all.** If ever there was doubt that these problems demand urgent and sweeping reform, those doubts are gone. If ever there was a question that inaction and indecision have consequences, we now know the answer.

If ever there was a time to put aside selfish partisan political differences for the greater good of Jamaica, surely that time is now.

**We believe that we must use this crisis to come together and address our long standing and fundamental economic problems.**

**Navigating our way through these challenging times will require tough decisions and shared sacrifice.** In this regard, I would like to thank the hardworking and loyal public sector workers for the wisdom and patriotism they have displayed in playing their part. The entire nation thanks them for their sacrifice. Later, I will be announcing measures that will make up in part for the wage freeze.

Also, earlier this month, the Prime Minister announced that he would be voluntarily cutting his salary and asked that we in this Honourable House follow his lead. Today I reiterate his call that all parliamentarians act to reduce their salaries by 10%. The proceeds of salary cuts from government members (\$8.0M) will go to assist our infirmaries island wide.

We believe this is an unprecedented and critical demonstration to all Jamaicans that we in this Honourable House are united and prepared to lead by example. We cannot ask for cuts unless we are prepared to accept cuts. We cannot ask for sacrifice unless we are prepared to sacrifice. **Sacrifices must be shared.**

**We have limited tools at our disposal to tackle the many problems that we face.** In the last decade, Jamaica was left behind as the rest of the world boomed. Now, with the world economy at a standstill, we find ourselves with limited resources to counteract the downturn. When we should have been growing and producing surpluses, we borrowed. Now, we find ourselves with scarce resources and a massive debt burden.

**It is no secret that the debt burden overwhelms our budget and leaves us little room to manoeuvre.** I've spent much of my time in politics thinking and speaking about the debt and have stood in this Honourable House on several occasions and denounced it as the: "*albatross around our necks.*" We continue to believe that the debt is a major binding constraint to growth and development in Jamaica.

**But let it be clear, we cannot and will never waiver in our commitment to fulfill all our debt obligations.**

**We have a plan in place to combat the current problems we face and build a solid foundation for growth and development.** During this difficult time, our first priority must be to maintain stability throughout our financial system. To that end, earlier this year we **took action** and provided liquidity to the financial sector. While other countries in the region have experienced acute shocks, our financial system remains stable. Second, we must reduce the pain of our debt burden by securing low-cost financing. In recent months we **took action** and have secured unprecedented multilateral support from a variety of sources.

We must use this as an opportunity to address the long standing structural problems in our economy and renew our commitment to the core pillars of our economic policy. We must rebuild the foundation of our economy to make it competitive and provide the opportunity for a better life for our citizens:

- 1) Debt management
- 2) Tax reform
- 3) Bureaucracy, corruption and waste
- 4) Investment promotion
- 5) Energy

**Mr. Speaker, this is not a time for recrimination, recrudescence nor undue remonstrations about past policy errors. Whether those who governed before us were wrong on some issues, is no longer the central issue. Neither is it a time for baseless criticisms and obstructionism in the face of these new and unprecedented challenges.**

**We are where we are. Understanding how we got here, while important as it avoids repetition of past mistakes, must take second place to charting a new course out of our national predicament.**

## **II. REVIEW OF ECONOMY FY 2008/09**

**During FY 2008/09 the Jamaican economy was confronted with severe challenges from the global economy.** These developments, together with weather related shocks during the year, had an adverse impact on the Jamaican economy.

**The Jamaican economy contracted by 0.6 per cent in 2008.** This decline was in contrast to growth of 1.2 per cent in 2007. The main industries that contracted were agriculture, forestry & fishing, manufacture, construction and transport, storage & communication. Growth was recorded in finance & insurance services, wholesale & retail and hotels & restaurants. **The reduction in GDP growth was principally a result of the global economic slowdown.**

**Inflation for the fiscal year 2008/09 was 12.4 per cent.** This was above our target of 9.0 to 10.0 percent. The out-turn however was significantly lower than the 19.9 per cent for FY2007/08. The inflation for this fiscal year was heavily weighted to the first half. During this period inflation was 11.0 per cent as a result of sharp increases in international commodity prices.

Other factors affecting inflation for the fiscal year included supply shocks from adverse weather conditions, and a depreciation in the exchange rate over the last two quarters.

**The current account deficit for FY2008/09 was 19.2 per cent of GDP.** This represents a deterioration of 3.9 percentage points over the previous year. This deterioration was influenced principally by sharp increases in the values of fuel and food imports in the first half of the year.

**At the end of March 2009, the NIR stood at US\$1.6 billion representing some 12 weeks of imports.** The NIR declined by US\$105 million during the calendar year.

**The foreign exchange market was subject to considerable pressures in FY 2008/09, particularly in the last two quarters of the year.** These pressures were mainly related to the acceleration of the international financial crisis. Against this background, the weighted average selling rate of the Jamaica Dollar depreciated *vis-a-vis* the US dollar by approximately 20.0 per cent for the fiscal year.

**This year, the GOJ and the BOJ took a number of strategic actions to respond to the difficult external environment. The key measures taken this fiscal year include:**

- (I) Establishing a special loan facility for securities dealers and deposit taking institutions with us dollar liquidity needs
  
- (II) Establishing an intermediation facility in both foreign and local currency to enhance the flow of credit in the system.

**We believe these steps have been successful in achieving our objective of stabilizing the financial system. Our financial system remains strong and well capitalized.**

### III. MACROECONOMIC TARGETS – FY 2009/10

The macroeconomic programme for FY2009/10 assumes that global economic growth will not recover until the second quarter of 2010 and that commodity prices remain depressed for the duration of the downturn.

These assumptions are in line with the world economic outlook issued yesterday by the IMF. It predicts that the global economy will decline this year for the first time since World War II:

Canada	-2.5%
USA	-2.8%
France & Spain	-3.0%
Italy	-4.4%
Germany	-5.6%
Japan	-6.2%

Our assumptions are conservative and more pessimistic than the international consensus. Nonetheless, we feel these assumptions are prudent in light of the uncertainty surrounding the timing of a recovery. **We are confident that this macroeconomic programme forms a sound base to construct a realistic and credible Budget.**

**Real GDP is projected to contract in the range of 2.5 per cent to 3.5 per cent for the fiscal year 2009/10.** Real sector activities are expected to be negatively affected by the declining demand for exports, lower capital flows and a reduction in remittance flows.

**For FY2009/10 inflation is expected to be in the range of 11.0 per cent to 14.0 per cent.** The forecast primarily reflects the anticipated impact of the recent depreciation in the exchange rate. The impact of depreciation, however, will be tempered by weaker growth in domestic demand. Lower prices for international commodities should also have a moderating impact on domestic inflation.



**The current account deficit is expected to narrow to 14.2 per cent of GDP as a result of weaker demand for imports.** The projected contraction reflects a significant improvement in the deficit on the goods account. This improvement is expected from a sharp decline in the value of imports, mainly oil. While the government is not expected to return to the capital markets in this fiscal year, expected loan inflows from the multilateral financial institutions will also assist in meeting financial obligations.

The risks to our forecast are: higher than anticipated international commodity prices and adverse weather conditions. **The potential upside to our forecast includes: a shorter than expected global recession and an opening of the credit markets.**

#### **IV. ECONOMIC FRAMEWORK & INITIATIVES TO IMPROVE GOVERNANCE**

**The Jamaican economy has a number of fundamental structural weaknesses. These weaknesses have been highlighted by the global economic crisis, but they were not caused by the crisis.** In fact, they are a function of our own policies and have existed unaddressed for decades. The major weaknesses include large persistent fiscal deficits and as a consequence, one of the highest levels of debt in the world. This crisis provides a wake up call to the Jamaican society. It also presents an opportunity to focus our collective efforts on addressing these issues head on.

**We have developed a framework to address the following key reforms:**

- Controlling public sector balances and debt
- Rationalizing public bodies
- Improving central government financial management and budget processes
- Increasing revenue collection
- Increasing growth and competitiveness
- Managing the public sector wage bill

**This reform agenda is in support of the core economic framework to which we are committed:**

- A sound predictable macro-economic policy
- Disciplined and strong fiscal management of the economy
- A tax system that is simplified and equitable
- A modernized labour market geared toward high levels of productivity
- A simplified business-friendly bureaucracy
- Effective measures to prevent corruption and fight crime and
- Supportive infrastructure.

## **DEBT MANAGEMENT**

**The intensified engagement of multilaterals is a major component of our debt management strategy. In a short period of time, this policy has produced real results. Since assuming office just over nineteen months ago, this administration has sourced significant multilateral credit in both project and policy-based loans.**

The timing of these efforts has been fortuitous. Given the depressed state of the international capital markets, it is unlikely that these funds could have been sourced privately. Certainly, they could not have been sourced at such favorable terms. Not only have we been able to access credit at attractive interest rates but we have been able to secure longer repayment terms. **To date, we have successfully negotiated a total of US\$951 million in credit from the World Bank, the Inter-American Development Bank and the Caribbean Development Bank.**

**I welcome the latest word from the World Bank that leading Development Banks have pledged to increase their support to the Caribbean and Latin America by providing up to US\$90B in an effort aimed at insulating the region from the global slowdown and spurring economic growth. The World Bank has been encouraging partner multilaterals to ensure that the external shock of the global crisis does not lead to a social and human crisis.**

**Our multilateral partners strongly support the government's Fiscal and Monetary Reform Programme. Nevertheless, our policy targets are our own and were not imposed on us as conditions for accessing loans. We believe that these reforms are critical to the implementation of our economic framework.**

**I wish to stress that we are committed as a government to reducing our fiscal deficit towards attaining a balanced Budget in the medium term which will directly impact the high interest rates that now exist in the economy.**

## **TAX REFORM**

**Tax reform is an essential element of Jamaica's National Development Strategy.** The goal of the reform programme is to ensure that Jamaica has a tax system that is simple, fair and competitive. The government is committed to developing better auditing capabilities to increase levels of compliance.

**In this fiscal year, effective July 1 the promised consolidation of statutory deductions will be implemented.**

**While specific tax measures will be addressed later in this presentation, I will touch now on some key tax-related reforms which are part of our longer term economic framework:**

**Improve Inland Revenue efficiency:** the Collectorates across the island are being made more efficient and customer friendly. Paying taxes should not be a physical burden, nor should it result in loss of time and productive energy.

**Establishment of the Large Taxpayer Office (LTO):** the Tax Administration Department has now established the LTO which commenced operations on the first day of this new fiscal year. The office which will cater exclusively to that key 3% of our taxpayers who are responsible for paying 80% of the taxes in Jamaica. This will enable our tax administrators to interface with industry leaders in a more proactive and systematic manner in order to improve service delivery and foster greater compliance.

**Establishment of the Forensic Data-Mining Intelligence Unit (FDIU):** this Unit has been established to identify a wide cross-section of self-employed persons. **The focus of this unit cannot be over emphasized – the Tax Administration will be putting the spotlight on tax cheats. Everyone must pay their fair share – no more, no less.**

## **BECOME TAX COMPLIANT – A NEW PHASE OF AMNESTY**

**It is estimated that over 200,000 Jamaicans of all walks of life who should be on the tax role are not now declaring income taxes. I wish to issue an invitation to all of you to register now and make yourself tax compliant.**

**There will be no questions asked about your prior years of non compliance. Start with making a declaration for 2008/2009 and onwards. But if you do not accept this invitation, rest assured that our auditors will get to you.**

**This is a new phase of the Amnesty Programme which will run from now until the end of October 2009. Bear in mind, that under the income tax act, if you do not use this opportunity to become tax compliant, when audited you will be liable to be assessed for several years of outstanding income taxes.**

**More effective customs collections:** the global economic crisis has also affected international trade to the extent that government's optimal revenue potential at the department of customs has not been realized. In light of declines in the amount of cargo coming through our Ports, the Customs Department has committed itself to working even more assiduously to collect every dollar due to the government.

## **REVENUE PROTECTION DIVISION**

The Revenue Protection Division has been reestablished to plug revenue leakage at Customs, Inland Revenue and other departments of government. The government is serious about protecting the revenue in the general welfare of the people of Jamaica.

**Establishment of a Central Treasury Management System (CTMS):** the Ministry of Finance and the Public Service has reviewed the current system of managing public funds and considers it to be dysfunctional, resulting in ministries, departments and agencies; including para-statal entities holding large pools of funds on the one hand while on the other hand the ministry of finance and the public service (MFPS) are borrowing at large costs to the government.

In order to correct this wasteful and untenable situation the government will establish a central treasury management system (CTMS) during this financial year. This new aspect of financial management involves a holistic approach to the management of public funds and will provide real short and long term fiscal benefits.

**Establishment of a Public Accountability Inspectorate (PAI):** the Inspectorate is charged with the responsibility to review critical reports that are tabled in Parliament. These reports include the Auditor General's Report, the Public Accounts Committee Report, the Public Administration and Appropriations Committee Report, the Audit Commissions, the Internal Audit Report and the Contractor General's Report.

The PAI will ensure that recommendations made in these Reports are actually followed and implemented. Should other issues arise from time to time, then the Minister's directive or the directive of the Financial Secretary will ensure that issues are investigated and that accountability and transparency are maintained. We believe that the PAI will increase efficiency and make great strides in rooting out corruption. The work of the PAI will not be confined to the conduct of affairs in the Ministry of Finance, but will also serve to scrutinize every Ministry and every Agency, where indicated.

## V. HIGHLIGHTS OF EXPENDITURE BUDGET 2009/10

### ENHANCED SOCIAL SAFETY NET

**This year's Expenditure Budget reflects the government's ongoing commitment to widening the Social Safety Net.** While many of the measures began last fiscal year, the global economic crisis only reinforces our commitment to ensuring that the most vulnerable members of our society are protected. Many of these measures will be expanded in 2009/2010, including:

**Education:** In addition to the abolition of tuition fees in public high schools which were successfully implemented last year, this year we intend to significantly expand the School-Feeding Programme in order to ensure adequate nutrition for our children. This is a crucial ingredient to their capacity and ability to learn. We have also increased the Education Budget to 13% of the National Budget on our way to our target of 15%.

**User fees in hospitals:** Last year, user fees were abolished as promised. This year, the government supported by the National Health Fund, will provide additional resources in order to deal with overcrowding in hospitals and ensuring that adequate supplies of drugs are available for patients.

**The Path Programme:** This programme will be expanded this year to ensure that the full quota of 120,000 additional Jamaicans who are deemed to be below the poverty line are brought into this important welfare programme. An additional \$800 million has been provided for this effort.

**Constituency Development Fund (CDF):** This fund was successfully implemented in the first year of the new government and has led to a wide range of projects implemented across all 60 constituencies islandwide, ranging from indigent house repairs, road repairs, agricultural projects, repair of basic schools and community centres, Back-to-School assistance, sports programmes, to name just a few.

## **CAPITAL EXPENDITURE**

For this fiscal year, the government plans to spend \$108B in capital expenditure comprising of \$43B for central government and \$65B for public sector bodies such as: NHT, UDC, Port Authority of Jamaica, amongst others.

This level of capital expenditure will provide a vital platform for development an important part of rebuilding the country's infrastructure.

**These four programmes combined, with the JSIF and other social programmes which cost the government well over \$11 billion, represents a meaningful effort on the part of this government to strengthen the social safety net, where hundreds of thousands of Jamaicans have already been the beneficiaries of these efforts. We look forward to expanding these vital services this fiscal year.**

### **Agriculture**

The government continues to demonstrate its commitment to the productive pillars of the economy with a budgetary allocation of \$6.895 billion to the ministry of agriculture. This represents a 17.23% increase over the \$5.882 billion allocated last year.

These funds will be well spent throughout the year as the sector will benefit from new initiatives designed to increase productivity in agriculture. These include: the establishment of a state-of-the-art centre for excellence in agriculture, the promotion of greenhouse technology and the enhancement of post-harvest facilities and capacity through modern cold-storage and packaging techniques.

### **National security**

Repair work was carried out on over 50 police stations in the last fiscal year and construction work will commence this year on the public morgue with refurbishing work to begin on police stations in Ramble, Kendal, Spalding, Frankfield, Chapelton and Darliston, as well as expansion of the Police Training Academy at Twickenham Park.



A total of US\$83M was expended during the last fiscal year to procure some 400 vehicles for deployment throughout the force. All but 150 of these vehicles have already been delivered.

## **VI. FINANCING PROGRAMME FY09/10**

For FY 2009/10 the central government is targeting a fiscal deficit of 5.5% of GDP, equivalent to \$65.4 billion. The budget of \$556.7 billion reflects above-the-line expenditure of \$401.9 billion and amortization payments of \$150.4 billion.

### **Revenue and Grants**

Expected revenue for this fiscal year will be \$321.1 billion with tax revenue contributing 86% of this total for FY 2009/10.

	<i>J\$ billion</i>
Tax revenue	274.9
Non-tax revenue	15.5
Bauxite levy	0.1
Capital revenue	20.3
Grants	10.2
<b>Total</b>	<b>321.1</b>

An economic slowdown in several key sectors will challenge fiscal revenues in FY 09/10. Mr. Speaker, for the 11-month period to February 2009, gross earnings from tourism are estimated to have declined by 1.1%. Provisional remittances figures for FY 08/09 indicate a decline of 16.6%.

There is a huge fallout in the bauxite sector which is manifested in a large decline in revenue to the government. The industry earned \$5.0 billion in 2007/2008, \$4.4 billion in 2008/2009 and is projected to earn only \$139M in 2009/2010 in bauxite levy receipts.

Mr. Speaker, in light of the significant revenue fallout occurring within various sectors such as, bauxite/alumina, tourism, export agriculture and falling revenue from border taxes, GCT and PAYE, there is need for replacement revenue, there is need for equity in sharing the tax burden, there is need to get more people into the tax net, there is need to garner more funds for infrastructure development and the rebuilding and maintenance of the social fabric of the country, and there is the long overdue need to reduce dependence on borrowing to finance our obligations.

The government is committed to undertake profound reform of the tax system to address the issues of equity, efficiency, effectiveness and revenue adequacy, the government has reviewed a menu of options that will help to satisfy these objectives.

### **Borrowing Programme**

Based on the projected revenue and expenditure the borrowing requirement for the central government amounts to \$215.8 billion for FY 2009/10. This will comprise external financing of \$29.4 billion, to include loans for investment projects and policy-based/development policy loans. The remaining portion of the loan raising programme of \$186.4 billion will be raised on the domestic market.

Mr. Speaker, based on the revenue forecast and the Expenditure Budget to be approved by parliament there remains a fiscal gap of \$18.131 billion or 1.5% of GDP. Before I indicate how we intend to close this gap Mr. Speaker, I believe we need to examine closer what has been happening to our economy and our revenue.

## **VII. REVENUE PROGRAMME 2009/10**

**After careful consideration, we have decided to implement new fiscal measures designed to better position Jamaica to withstand the global economic crisis.** Our decision has been guided by two core principles: fiscal responsibility and equity. We believe that collectively these measures will allow us to meet our commitments to the Jamaican people, increase the fairness of the tax system and better position the Jamaican economy over the long term.

**Our fiscal package will allow us to meet our commitments to the Jamaican people, the most important of which is the protection of the most vulnerable members of society during these difficult times.**

These measures include: an increase in the taxes on fuel, a broadening of the GCT base and an increase in the minimum income tax threshold.

**Even after the effect of new taxes, the price of gasoline will be significantly below recent levels and will be among the lowest in the region.** Through much of 2008, Jamaicans paid as much as J\$80 per litre for gasoline. The price of gasoline today range between J\$50 and J\$60 per litre. Even with this increase in fuel prices, Jamaica will continue to enjoy some of the lowest prices of gasoline in the region – significantly lower than gasoline sold in Barbados, the Bahamas or the Dominican Republic.

**Table 1: comparative gasoline prices in selected countries of the Americas, 2009**

<b>Country</b>	<b>Regular gasoline (US\$ per litre)</b>
Antigua and Barbuda	0.78
Bahamas	0.92
Barbados	0.95
Canada	0.71
Dominica	0.76
Dominican republic	0.83
<b>Jamaica</b>	<b>0.59</b>
Montserrat	0.71
St. Lucia	0.95
St. Vincent and the grenadines	0.75
Trinidad & tobago	0.42
Uk	1.39
Usa	0.54
<b>Average</b>	<b>0.79</b>
<b>median</b>	<b>0.76</b>

Notes: \*Prices are for the most recent day (after March 18, 2009) for which data are available. Prices for the UK and the US are for march 30, 2009. Jamaica's price is for April 3, 2009.

Sources: compiled using data from various websites including [www.petroprices.com](http://www.petroprices.com), [www.eia.doe.gov](http://www.eia.doe.gov) and [www.ceis-caribenergy.org](http://www.ceis-caribenergy.org) [accessed April 3, 2009].

## **ENHANCED ROAD MAINTENANCE FUND**

**Mr. Speaker, a portion of the increase in the SCT on fuel will be dedicated to the enhancement of the existing Road Maintenance Fund which is presently funded by a portion of the annual receipt of motor vehicle licences. This will be used for rehabilitating and repairing arterial roads islandwide.** Many of these roads have been in a deplorable condition for many years due to the lack of a proper Road Maintenance Programme. In addition, there are many main roads which are also inaccessible as a result of hurricanes dating as far back as hurricane Ivan from 2004.

Roads in Portland are a glaring example of the horrible state of our rural road infrastructure islandwide. This fund will also serve as a contingency fund for the rehabilitation of our roads in the event of natural disasters in the future.

The RMF will this year receive 20 per cent of the fuel tax, next year 35 percent will be allocated and in year three 50 per cent of the tax will be put into this fund.

**In this fiscal year 09/10, some \$3.0 billion will be put into the RMF to lift the expenditure on road repairs from \$7.8 billion to \$10.8 billion.**

**Mr. Speaker, the management of the RMF will be reviewed to incorporate an oversight board which will include representatives of various stakeholders such as Transport operators, Taxi Associations and other Civic groups.**

## **INCOME TAX THRESHOLD**

**We have taken additional steps to directly improve the fairness of the tax system by implementing measures that will put money back into the hands of our most burdened tax payers.**

**For too long the brunt of the fiscal burden has been borne by PAYE workers. There are over 1.3 million workers in the labour force, but just 323,000 PAYE workers. These workers continue, year after year, to bear an unreasonable tax burden. Every independent assessment of our tax system has found that this arrangement is woefully unfair. As a result, we have decided to commit ourselves to correcting this inequity.**

Mr. Speaker, **the government has decided to double the income tax threshold from \$220,500 to \$440,000 by January 1, 2010 in two stages. The first stage will be adjusted to \$320,000 on July 1 of this year. By this measure, as of January 1, 2010 an additional 85,000 workers will no longer pay income taxes, making it a total of 132,000 PAYE workers no longer paying income taxes.**

**And Mr. Speaker, with this new threshold in the first full year of implementation, some 191,000 PAYE workers will take home an additional \$55,000 per year.**

**We recognize that our ultimate responsibility is to defend the interests of the Jamaican people and the Jamaican tax payer. We believe that these revenue measures are consistent with that objective.** We have taken these decisions after careful consideration and an analysis of the alternative courses of action.

We know that some of these decisions are politically arduous. Nonetheless, we are committed to putting the interests of Jamaica first. We are confident that collectively these measures will improve fiscal stability during the economic crisis we are currently experiencing. Equally as important, they will improve the basic fairness of our system, improve infrastructure and better position our economy for growth and development over the long term.

## VIII. CONCLUSION

**Mr. Speaker, Honourable members,**

**The stakes of this year's Budget Debate are high.** Our collective ability to combat the economic crisis will define our generation of leaders. More importantly, it will determine the standard of living of future generations of Jamaicans. Successfully overcoming this period of turmoil is not just the most important task we face as a government, it's the most important task we face as a society. **The Government of Jamaica is prepared to use every tool at its disposal to combat the economic difficulties we face.**

Our history is replete with missed opportunities; in the past, we have placed political opportunism above the national interest; for too long, we have postponed the inevitable and believed that we can 'do the same thing the same way under the same conditions and yet expect a different result'. Many times we have underestimated the good sense and intelligence of our people, even though time and again they have proven their strength, resilience and deep appreciation of what is good for us and the development of our country.

**This time, this Administration, both Sides of this Honourable House, businessmen and women, our workers, elders and youth must equate national development with their future well being. The prospects of our country must now become everybody's business! We dare not miss this moment; we cannot afford to lose this opportunity.**

**Jamaica's potential for growth and prosperity remain to be fully exploited.** Our brand is still strong and remains instantly recognizable throughout the world. Our sun, sea and sand are still the most beautiful on the planet. Our democratic values are robust. Our people are incredibly talented, resilient and capable of beating insurmountable odds time and time again.



**I have no doubt that if we come together, are prepared to accept shared sacrifice and approach our problems realistically, constructively and with the calm, cool, strength displayed everyday by ordinary Jamaicans, there is no question that our best days are ahead of us.**

**We must now seize the opportunities that beckon us to, with all hands, grasp victory from the jaws of defeat, to rebuild the foundations of our economy and secure the future of our people.**

**I end with a quotation from the book of Isaiah, chapter 58, verse 12;**

*“The ancient ruins shall be rebuilt for your sake, and the foundations from ages past shall raise up.*

*“Repairer of the breach they shall call you, restorer of the homesteads.”*

**Mr. Speaker, Honourable members, together, with God’s help, we will restore this homestead we call home.**

**May God richly bless you all, and may God bless Jamaica.**

**Audley Shaw, MP**

*Minister of Finance and the Public Service*

April 23, 2009