

Independence Day Address 2014

Delivered by Prime Minister Hon. Dean Barrow

Belmopan, Belize, 21 September 2014

Once more we come together to hymn our country in this most important of national rituals: the celebration of the anniversary of Belize's independence. This year the huzzahs and the hosannas, the alleluias and the amens, are anchored by the theme "Industrious Minds, Intelligent Hands, Together for Belize".

Well, it is indubitable, as we begin the thirty fourth stanza of our existence as a nation, that this is a land peopled by industrious minds and intelligent hands. But that "together for Belize" might give the dispassionate observer some pause for thought. If it is merely aspirational, a plea, then we are ok. But if it is stated as accomplished fact, some might beg to differ. And there are several things such contrarians might offer in evidence. Certainly, the often fractious nature of engagement in our public square would be one. The bewailment of an assortment of activists and local Jeremiahs, is a daily staple. And the picture their Lamentations might convey to the uninformed is the obverse of the togetherness this year's theme is either describing or mandating.

But I want to say straight off that to buy in to any notion of an essential rupture of the Belizean body politic, is to be misled. Superficially concentrating on the relatively small things that divide us while ignoring the undoubtedly big things that unite us, is either laziness or perversity. As with any growing, developing, multicultural democracy, there are inevitable stresses and strains in Belize. But on the whole ours is a society of progress, where setbacks are temporary, achievements permanent.

I therefore say that it is a certainty that at year 33, we are recording pronounced advances. And let me briefly set out what I consider to be the irrefutable evidence that makes the case.

I conceive the four most important pillars of our nation building enterprise as these: first, a sound economy; second, the physical transformation of Belize so that countrywide our infrastructure will be both attractive and effective; third, social renovation in order to remake our democracy in the image of egalitarianism; and fourth, the maintenance of patriotism and pride, the pestle and mortar of sovereignty.

Where our economy is concerned, Belizean stability has now become a given. It is not just that there is continuing GDP growth, headlined now by the magnificent 8.7% in the second quarter

of this year. It is also that our monetary and fiscal house, owing much to the signal triumph of our Superbond renegotiation, is very much in order; our dollar strong; and foreign reserves the highest they have ever been. Of our two mainstays, tourism continues to grow phenomenally. And while agriculture by its very nature presents an always more nuanced picture and will never be completely free from volatility, sugar is better than it has been in years; bananas are steady; and citrus, aided by Government's intervention, is rebounding.

It is in light of all this that, almost unique in the Caribbean, we have been able to give teachers and public officers a 9% raise this year with a strong likelihood of additional increases both next year and in 2016.

Now I listened stoically to the doomsaying and the attacks of some of those that spoke before me. But once more I'm resolved not to respond in kind. After all, nothing should provoke-or excuse-any descent from dignity and statesmanship on Independence Day. So if I look back now and point to certain things, it is not as rejoinder or one-upmanship. It is merely to underline how far our Belize has come. Accordingly, purely for purposes of comparison, I want to recollect the time, just under ten years ago. when the last Administration was also at midpoint of its second consecutive term. And in as politically uninfected a manner as possible. I state the facts.

In 2004-2005, the fiscal deficit was 9% of GDP. In contrast now, it is 1.7%. In 2005 inflation was 3.7%. Now it is just 1.3%.

Our Foreign Reserves at the close of 2005 was \$70.6 million. Now it is almost a billion.

In 2005 all-Important capital spending had shrunk to \$92 million. Now, for fiscal year 2013/2014, we spent \$194 million.

The external public debt had surged to 90% of GDP in 2005/2006, costing \$215 million in debt service payments. Now it is only 62% of GDP and cost us only \$92 million to service in FY 13/14.

In 2005 the weighted average lending rate at the commercial banks was 14.3%. Today that rate has dropped almost five points to 9.8% for new loans, and with residential mortgages available from the National Bank for as low as 5.5%.

As well in 2005, taxes had been increased on two occasions: first by 90 million dollars including the raising of business tax and the tripling of the environmental tax, and then by hiking the excise on beer and liquor. Now not only are there no new taxes, but Government has Instead repeatedly given back to citizens through one form or other of relief. That trend continues today as you will shortly hear.

So, Ladies and Gentlemen, you get the picture. Our economy is strong, all indicators are solid, and GOB is able to pay its way and generously foot the country's development bill without burdening Belizeans.

Let me then turn to my pillar number two of nationhood. And when it comes to that-the physical transformation of this land-not even the most cynical can deny the infrastructural miracle that is vivifying our cities and towns. The concreting of streets in every municipality, the construction of drains, the beautifying of public spaces is proceeding at an almost frenetic pace and is something to behold. We are also moving right along with the building and improving of our country's all-important sporting and community development facilities. In Belize City the erection of the new Civic Centre will start by January of next year once the design and tender process is finished, and the same goes for the multi-purpose complex next to the airstrip in Punta Gorda. Every Municipality is queuing up in this regard, and Government spending will not stop until all these signature projects are complete. After March 2015 this drive will be supplemented, though not supplanted, by a new emphasis on countrywide village and rural road improvement.

That very spending on infrastructural transformation, is what is also helping with social transformation, the third foundational aspect of our nation-building construct. Our concentration on labour-intensive methodologies has created thousands of new jobs for people at the margins, and is providing living wages and the means to bootstrap them into the formal economy. We have set up bank and credit union accounts for these new entrants into the workforce, and provided them with ATM cards and social security coverage. But the dignity of work, while perhaps the greatest, is not the only social good. So, of course. Government continues to expand the social safety net; and our protection programs- such as the Food Pantry and the Cash Transfers-have benefited from increased funding. All this is accompanied by an aggressive push to multiply educational and training opportunities. And evidence of this comes, as examples, by way of the new initiative, being implemented now, to pay for 6 CXC exams for all qualifying students; by way of the free Call Center Training Program that will launch in October; and by way of the restart of the Centers for Employment Training that will produce skilled trades persons, the young carpenters and masons and plumbers and boatbuilders and auto-mechanics.

This quest to create a more equal society must perforce involve an effort to grow the middle class. In this regard the salary increase for GOB employees is one instrumentality. So too is the creation of the National Bank, the provision of affordable credit for fixed-income householders, and training and access to financing for small businesses and start-up entrepreneurs. Now every year on Independence Day I take the opportunity to unveil some new measure designed to give relief to a particular segment of our society. This year, in keeping with the emphasis on

the middle class, I announce that Government will meet the interest payment for the month of December 2014 on all home mortgages in the country with an original value of up to 100 thousand dollars. Thus every borrower in Belize with a housing loan at the National Bank, all the commercial banks, the DFC, Social Security and all Credit Unions, will be helped. Preliminary estimates show 1,602 such borrowers at the commercial banks; 4,833 at the credit unions; around 700 at the DFC; about 70 at SSB; and 200 at the National Bank. Altogether, then, at least 7,405 mortgagors will be assisted in this way. And if we figure it at an average of 4 persons per household, then this GOB measure will touch not less than 28 thousand Belizeans. While the size of the monthly repayment differs depending on the interest rate and the length of the loan, we are budgeting for this to cost government a total of over 3 million dollars.

The logistics of the measure, which will provide its sweeping relief either through payment to the financial institutions holding the loan or by giving the money directly to the borrowers themselves, will be clarified later. But I believe all will agree from now that this is another excellent example of Government's 'good looking out', its continuing effort to ease the load for our working and middle classes.

Before leaving this third pillar of social transformation I must acknowledge that all our hard work will ultimately count for naught unless we can successfully defeat the hydra headed monster of crime and violence. Last year we did well and saw the lowest murder rate in six years. But now, despite all our job-creation and social inclusion programs, we are experiencing an erosion of the 2013 gains. There have been murderous spikes in July and August. And while we are thankful that all the September celebration events were incident free. Belize City was left reeling by a surge in shootings and fatalities last week. We are still, however, bettering that 2012 nadir and working relentlessly for as crime-free a last quarter as possible. As this unending struggle continues, the measures that we put in place now and over the longer term will be greatly aided by a US 30 million dollar national security loan we are obtaining from CABEL. This will fund unprecedented spending on vehicles, weapons, facilities, equipment and training, and hopefully give us the sustained success we need. Given the size of the loan questions have been raised about whether we have the fiscal space to accommodate it. But we cast these aside in our absolute determination to finally cage the law and order beast.

And so now I come to the last pillar that consecrates our nation-building effort, the maintenance of Belizean sovereignty.

The unceasing need to safeguard territorial integrity in the face of the continued civilian incursions from neighbouring Guatemala, is for us a fundamental fact of life. If anything, it has taken on additional urgency as illegal activity, deforestation and ecological degradation in the border areas increase. Growing the BDF troop strength and a new National Defense Plan are

two of the tools with which we will seek to assure greater returns from this unflagging, diurnal struggle.

But equally important is the maintenance of psychological sovereignty, full control of patrimonial and legacy assets, the deployment of that proud, can-do Belizean spirit that assures proper exploitation of, and returns from, our natural resources. Among our banner accomplishments in this context is the nationalization of public utilities, in particular BEL and BTL.

Where BEL is concerned there can be no doubt that our still short public stewardship tenure has already produced a stellar record. The rolling blackouts threatened by the previous owners have been completely avoided and reliability of supply is now a new and welcome reality. Dividends, frozen before the takeover, are now being paid. And SSB in particular, which had earlier invested the people's money in BEL shares, is happy to be finally seeing returns. The company made profits of \$18 million in 2013 while actually decreasing rates to consumers by 7,9%, and there is every likelihood of further rate reductions in 2015.

The success of BTL is even more dramatic and can be especially highlighted by one last comparative reference to 2005. Then télécoms rates were exorbitant and the company was being sold to Jeffery Presser, a private individual who ultimately could not pay. Thereafter a secret buy back agreement emerged, allowing the foreigners that had been in control before Presser to retake the enterprise and enforce their monopoly. The BTL workers had taken to the streets and service had been cut countrywide. Now, under nationalization, there is vibrant competition in the sector; liberalization resulting in the complete opening up of VOIP and related services; and internet and general rates that are at their cheapest ever. There is industrial relations harmony with a new Collective Bargaining Agreement signed earlier this year after only a very short period of negotiations. And as this forward march continues it gives me great pleasure to announce that I have just signed a Statutory Instrument making internet services zero-rated, rather than exempt, for GST purposes. This will allow all internet service providers to charge even less; and in the case of BTL as of October 1 customers will begin to get double the bandwidth for the same price. Of course GOB takes a revenue loss in consequence. But it is well worth it as together with BTL we deepen all- important internet penetration in this nation.

Ladies and Gentlemen. My Fellow Belizeans:

It is against this overall successful backdrop that any cracks and fissures in our trajectory must be viewed. And seen through this prism any contention in our domestic debate is nothing more than testament to a vigilant, informed, aggressive demos. Indeed, in accordance with a state of maturation remarkable in a country so young, we must actually welcome the clash and clangor

of our ideas marketplace. Ferment in a society we seek to make perfectible, is no bad thing. Especially since we have proven time and again that individual dissonance always gives way to collective coherence whenever the circumstances require. Thus it is that in small things and big, whether it be the win, lose or draw support for our national football team or the outpouring of fellow feeling at any Belizean accomplishment, our essential solidarity is always on call, ready to be deployed. And never more so than when there is any hint of external questioning of our right to enjoy all of nature's bounty within the four corners and sacrosanct borders of this our native land.

So, as we celebrate both our oneness and our diversity, let there be no muting of our festivity, no raising of doubt about either the exhortation or the narrative encapsulated in this year's theme. The chorus of hoorays must once more reverberate to the heavens, to the very vault of our sky as with all our might we sing and shout the victory: "Que Viva Nuestra Independencia; Happy Birthday and God bless Belize.