

CLOSING BUDGET PRESENTATION 2009 / 2010

Much of this year's Budget Debate has been spent discussing the unprecedented economic challenges facing the global economy. To be sure, we find ourselves at a difficult and critical juncture. Nevertheless, this year's Budget Debate has given Jamaicans and all stakeholders ample reasons to be proud, particularly in light of the challenges we face.

Rather than discussing the details of the global crisis as I did in my opening presentation, I would like to begin my closing remarks by reflecting on several positive developments that have come out of this year's Debate.

This year's Budget has plainly displayed the wisdom of the Jamaican people. It has shown that as a society, we have the capacity and collective maturity to make sound decisions about our economic future, even at the expense of short-term gains.

From my own constituency a young female student had this to say: "*Minister Shaw, just make sure you spend the money right and help with the roads and schools.*"

A gentleman met me outside this House after my opening presentation and noted, "*tough medicine never sweet, but if every body feel the pain, I hope when gain-time come, poor people don't get left.*"

The Jamaica Gasoline Retailers Association (JGRA) President Trevor Barnes reportedly said: "*we understand the predicament the country faces and we have to call on our members and the country to try and ride out this difficult time.*"

Private Sector Organization of Jamaica President Christopher Zacca, arguing that the country had been “borrowing too much for too long”, said that government had little choice in presenting the measures it did.

I would like to thank the Jamaican people, particularly those sectors most affected by this year’s Budget, for their understanding and cooperation. I assure you that we do not take your patience for granted. I also assure you that these shared sacrifices are in our best national interest and will better position the Jamaican economy for growth and development.

This year’s Budget Debate has proven that policymakers are better served by being open and transparent, rather than sweeping things under the rug or ignoring the obvious.

In fact, throughout this Debate I was struck by the extent to which the Government and the Opposition are in agreement on the central economic questions we face.

It is all agreed that we are facing unprecedented economic challenges and cannot operate “*business as usual.*” To quote the Opposition Spokesman on Finance: “*there can be no question that the problems faced in the international economy have impacted several of these outcomes.*”

The ‘Doubting Thomases’ now concede that multilateral financing must be an important part of our debt management strategy. To quote the Opposition Spokesman on Finance: “*Jamaica must have greater resources from multilateral financial institutions. This must be an area of activity where there should be relentless pressure from developing countries, and Jamaica must play a lead in this regard.*”

Even on some of the most controversial areas there is agreement. Both Sides now agree that, to quote the former Minister of Finance: “*there is no question that in search for significant additional revenue inflow, a tax on gasoline was a logical consideration.*”

As we close this Debate, these areas of general agreement form the foundation from which greater areas of cooperation can be forged.

This closing presentation will take the following order:

- 1. Rebuttals to the Leader of the Opposition and the Shadow Minister’s presentations**
- 2. A review of the medium to long-term Macroeconomic Programme**
- 3. Some additional initiatives to stabilize and grow the economy**
- 4. Amendments to the Tax Package presented on April 23, 2009**
- 5. Conclusion.**

1. REBUTTALS

THE INTERNATIONAL CRISIS

Mr. Speaker, we heard both the Leader of the Opposition and the Shadow Minister of Finance repeatedly allege, that the government did not acknowledge the international crisis and as such we did not react on a timely basis. Let me set the facts straight on this matter.

In April 2008, in my Budget presentation, I said and I quote: *“The risk to the Macroeconomic Programme projections largely emanates from the possibility of sharper than anticipated increases in commodity prices (including oil prices), adverse weather conditions, and a recession in the USA.”*

This was five months before the collapse of Lehman Brothers, the first financial giant to collapse which then exacerbated the international crisis.

Subsequent to the collapse of Lehman Brothers in September 2008 the world started changing rapidly in the last quarter of 2008. We had to manage the local and international perceptions as they relate to our financial sector. In that context, I announced that our financial sector was safe and sound. I make no apologies for doing so, and if I have to do so again, I will. I would not be carrying out my duty to the Jamaican people if I went on a mission of preaching “doom and gloom”. My first responsibility was to reinforce confidence in our local economy and by extension the financial sector.

We did not panic, but calmly set about coping with the unpredictable but unfolding events.

Not only did we reinforce confidence in the financial sector but we established a US\$150M line of credit for entities that were subject to Margin Calls, and on January 1, 2009, we established our own stimulus package which cost the government over \$800M.

A Financial Sector Monitoring Committee was established under my chairmanship and we meet every Tuesday morning at 9:00 to review local and international issues, and determine necessary action.

Mr. Speaker, we are confident that our actions were timely and correct.

What the Opposition members should tell us is what other course of action should have been taken. Should we not have intervened in the tourism sector? Were we not correct in shoring up confidence in the financial sector?

Were we not correct in making more funds available through the EXIM Bank when liquidity had dried up in the international market?

Were we not correct when we sourced hundreds of millions of US dollars from the multilateral institutions at cheaper interest rates when other sources were no longer available?

MANAGEMENT OR MISMANAGEMENT

Mr. Speaker, I heard the Leader of the Opposition advising me on management and explaining how proud they are of their “management” in the previous administration. I heard the former Minister of Finance boasting about his management and how we can learn a few things. I am more than happy to learn from him but I have a few questions.

Where was the management with Air Jamaica? Air Jamaica has accumulated losses in excess of US\$1 billion dollars or 17% of our total external debt. This government now has to deal with this mismanagement!

Where was the management with Sugar Company of Jamaica? Last year we absorbed \$16B in debt from SCJ!

Where was the management when we forward sold bauxite through **Clarendon Alumina Productions**? CAP’s debt now stands at US\$425 million. Last year, CAP cost the taxpayers almost \$4 billion, virtually wiping-out the entire levy revenue of \$4 billion earned by the government, and will cost at least another \$6 billion this fiscal year!

Where was the management at ENROCC? Losses are projected at \$8 billion of which \$6 billion is as a result of the loan structure resulting in high effective interest rates.

Where was the management at NWC? **The NWC** has accumulated losses of \$8.2 billion with a debt of \$26 billion!

Where was the management at JUTC? **The JUTC's** accumulated losses are currently \$6 billion with a debt of \$3 billion.

Mr. Speaker, these entities have been allowed over several years to remain in a permanent crisis situation, at great expense to the taxpayers and the development of the country. **This year we intend to make the necessary and tough decisions that are needed. That is management!**

Where was the management when our debt moved from \$45.7 billion in 1990/1991 to nearly \$950 billion when we took office? An increase of 1,978 per cent over the period with minimal economic growth during the period; a devaluation of the currency by 1,320 per cent?

Finally, was it good management that allowed base interest rates to average in excess of 50% during the 1990s, resulting in the devastation of thousands of Jamaican lives; with people losing their homes and businesses, the closure of many companies, the “most massive transfer of wealth from the poor to the rich,” break-up of families, and the transfer of Jamaican ownership of prime assets to foreign control?

Mr. Speaker, it is as a result of this mismanagement that the country is not adequately prepared to handle any crisis. The options available are limited but manage we shall, with the objective of creating a better Jamaica for all Jamaicans.

INTEREST RATE SPREAD

Mr. Speaker, let me turn my attention to the concern raised by the Opposition Spokesman on Finance in respect of interest rates having reached a point beyond that which is consistent with a spread over inflation.

The question now is: When did the Member find out that something is fundamentally wrong in circumstances where domestic interest rates exceed the inflation rate by 10 or more percentage points?

Jamaica recorded spreads in domestic interest rates over the rate of inflation by 10 or more percentage points for 7 of the 14 years the Member served as Finance Minister.

Using the 6-month Treasury Bill Rate the spreads for various years are:

➤ 1994/95	-	15.5
➤ 1996/97	-	23.2
➤ 1997/98	-	14.4
➤ 1998/99	-	18.1
➤ 1999/00	-	11.7
➤ 2000/01	-	11.3
➤ 2002/03	-	11.2

Mr. Speaker, the government has publicly expressed its desire to see sharp reduction in interest rates and the gradual and orderly process of reduction with the 90-day Treasury Bill now at 19.8%. The 180-day instrument now at 21.1% both is down from over 24% several months ago.

THE IMPOSITION OF A HIGHER TAX ON INTEREST BEARING BONDS

We strongly disagree with the Opposition Spokesman's proposal that the tax on interest be increased. Such a tax would be destructive to investor confidence and would amount to **“changing the rules in the middle of the game.”** We find it puzzling that the Spokesman can assert that investors have lost confidence on our economic framework from one side of his mouth, and propose that we increase taxes on investors from the other side.

Furthermore, as all market participants are aware, investors are concerned with their net returns. Arbitrarily increasing taxes on interest income would therefore lead to an instantaneous increase in interest rates. Of course, this would lead to potential capital flight and significant depreciation of the local currency.

The Spokesman asserted that a further tax on interest income would be equitable. Presumably this is because it would tax the rich investors. We flatly disagree with this assertion as an old time socialist theory. A significant number of investments in our debt securities, represent savings and pension funds of ordinary working Jamaicans.

NEGATIVE GROWTH & DEFICIT TARGETS

The Member indicated that Jamaica experienced negative growth for the first time in a decade. It is in fact, the first time in over a decade that negative growth had been recorded in so many major economies, with the USA, UK and other major economies among those recording negative growth out-turn, during the last quarter of calendar year 2008.

I must use this opportunity to remind the Member that in another dispensation, when the world economy was booming and doing considerably better than it did last year and is doing this year; he was busy missing his macro-economic targets. The Member needs to be reminded that he never met a single growth target and to make matters worse, Mr. Speaker, he missed fiscal

targets for 7 consecutive years, and with exception of FY 2000/01, he missed his deficit targets for every other year during his tenure as Minister of Finance.

TAX ALLOWANCES CLARIFICATION

The Opposition Spokesman on Finance sought clarification on the: *“removal of personal income tax preferences and all other tax free allowances”*.

He will recall that this was a specific recommendation of the Matalon Committee, when the suggested tax threshold should have been increased to \$275,000. He has stated, and I concur, that the central issue related to the removal of these preferences is that the long-term benefits of workers will be enhanced as their **total income** will be used as the basis for calculating the benefits from NIS and NHT. These are important considerations and is another reason why we took the step to double the income tax threshold.

With this new revenue measure, tax free allowances with the exception of reimbursable allowances such as travel allowances, will become subject to tax. In addition, there are certain allowances associated with special wage agreements under the Memorandum of Understanding (MOU), such as the housing allowance provided to members of the security forces, which will continue to be tax free.

CONSOLIDATION OF STATUTORY DEDUCTIONS

National Insurance Scheme

The Prime Minister alluded in his speech to the Amalgamation of the payroll taxes and the lifting of the cap for NIS which is inevitable.

Based on the Actuarial Review, we will during this fiscal year impose a progressive rate of contribution, i.e. people who earn more will pay more and in particular, the groups earning above \$5 Million.

We will all be winners as NIS pensions will move in line with inflation and the demand of our Pensioners. We have listened to the cries of our Pensioners, especially the Government Pensioners.

EXTRAORDINARY RECEIPTS

Mr. Speaker, in his presentation, the Opposition Spokesman on Finance sought clarification in respect of the \$24.345 bn estimated as revenue under the head “*extraordinary receipts*” this fiscal year.

Mr. Speaker, the Member erred in analyzing the publications, in that he merely examined the summary page of the Revenue Estimates and questioned where the estimated **\$24.345 bn** in revenue will be coming from. Had the Member examined the details more closely he would have come across the heading – *extraordinary receipts* on **page 54**, which contains a breakout of the estimated revenue inflows under this heading.

DEBT AND INTEREST RATE MANAGEMENT STRATEGY

Mr. Speaker, the Debt Management Strategy was tabled in Parliament on April 23, 2009. I did not see the necessity of reciting the document given that our plan is clearly outlined in the document, however, let me make comments on the strategy as outlined therein.

In the Member’s presentation, and I quote: “*However, a worrying trend which has developed under this Administration is the reluctance of the market to purchase long term*

domestic issues. The immediate result is that the Government has had to offer short-term issues at high interest rates thus putting additional and immediate pressure on the expenditure budget.”

In respect of the tenure of our portfolio the trend of issuing short-term securities is not a recent one. Of the total new debt issued in FY 2003/04, 94.4% had maturities up to 5 years compared with 45.1% in FY 2002/03. Of the new domestic debt issued in FY 08/09, 74.5% had maturities of up to 5 years. Despite strong market demand for shorter dated debt, the government was successful in meeting its target of 3 to 4% of new issues with maturities of 20 years and over.

Now that the exchange rate has been stabilized due to cooperation among our stakeholders and due to the moderation of demand for foreign exchange from public sector agencies, we are beginning to see a gradual reduction in interest rates with the 90-day Treasury Bill now at **19.8%**. But what are the options available to us to achieve exchange rate stability and lower interest rates?

- i) We must lead by example with tough fiscal discipline: our budget deficit must be reduced and our primary surplus must increase. Every Government Department and Agency must use every opportunity to cut costs in their operations.
- ii) We have to grow the economy through increased production driven by a new economic framework. This Budget has begun the process of reform, the privatization process is underway and we are taking steps to improve governance to reduce fraud and corruption.
- iii) We have been sourcing cheaper loans from the multilaterals, and Mr. Speaker, our external loan requirements of US\$250 million to finance the Budget will be met from multilateral loan funds which will be in excess of US\$300.0 million for FY 09/010.

Our overall plan is to reduce the debt to GDP ratio to 95% within two years. Mr. Speaker, we believe that this is achievable.

Capital Expenditure for Public Bodies & Central Government

	Actual					Estimated	Projected
	2003/04	2004/05	2005/06	2006/07	2007//08	2008/09	2009/10
Total Public Bodies	19,174.89	19,411.82	18,347.56	32,068.49	35,693.79	38,739.16	65,901.77
Central Government	5,484.33	11,105.86	15,474.10	23,506.37	41,401.67	41,371.89	40,854.44
Total Capital Expenditure	24,659.22	30,517.68	33,821.66	55,574.86	77,095.46	80,111.05	106,756.21

CAPITAL EXPENDITURE

Mr. Speaker, we concur with the Opposition that the Government must lead the way for growth in the economy through capital expenditure.

The projected increase of \$27.0 billion or 33%, moving from \$80.1 billion last year to \$106.7 billion represents the largest Capital Expenditure in our history, including vital infrastructure in housing, road construction and water supplies.

2. THE MEDIUM TERM PROGRAMME

The Macroeconomic Programme for 2009/10 was outlined in my opening presentation and I reiterate that we are confident that this Macroeconomic Programme forms a sound base for the Budget that has been constructed.

In relation to the medium term scenario, it is largely conditioned by the assumption that global economic growth will not recover before March 2010. Recovery in the global economy is predicated on the success of the various stimuli and restructuring packages in the major economies.

Accordingly, our mining industry, not only bauxite, must be poised to take advantage of the increased demand that will come. Similarly, our agriculture and agro-processing industries must restructure to not only provide more for the domestic market but also to expand the niche markets that Jamaica has always enjoyed especially in our Diaspora. With foresight and planning the Jamaican economy will be much stronger in the medium term, rebounding in FY2010/11 and thereafter, when we forecast GDP growth around 2% per annum after experiencing contraction in this fiscal year

There are other important areas of the economy that are well up to speed to deal with the increase in capacity that will come as the global economy emerges out of the recession. Millions of dollars have been invested in expanding and upgrading our tourism plant, making the physical plant among the highest quality anywhere. The Tourism Enhancement Fund is crucial for us to continue the upgrading of the tourist product.

Within the services sector, we have forecasted growth around 1.5% in *hotels and restaurants* for the next three fiscal years.

Related to the development of the tourism products, are the advances made in the efficient production of local meats, fruits and vegetables to serve this growing market. These developments and plans for their expansion, will be spelt out in greater detail later in the Supplementary Debates. Suffice it to say that the will, the capacity and the leadership to rebuild a world class companion to the tourism industry – linkage industries – is evident and will play a much larger role as international trade and travel rebound.

GDP growth of 4% per annum is expected in agriculture, forestry and fishing for FY 20010/11 and FY 2011/12.

As I outlined in my Opening Budget presentation, in the context of the global recession, low demand for commodities and the expected contraction in the domestic economy, the current account deficit of the balance of payments is expected to narrow to 14.0 per cent of GDP relative to the estimated 21.0 per cent of GDP for FY 2008/09. 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. The deficit is forecasted to narrow further to under 10% for the next three years.

With respect to the financial accounts, external commercial borrowing will be undertaken at the earliest opportunity in FY2010/11 as we seek to position ourselves to cover a maturing global bond of US\$250 million that will become due next year.

PUBLIC SECTOR WAGE BILL

I would just like to say a word on the Public Sector Wage Bill:

The public sector wage bill cannot continue to grow at the current rate. It is not sustainable. Pretty soon we will only have resources to pay salary and not much else; cutting the rate of growth of the wage bill is a national imperative. The MOU process has to go in that direction in the future.

3. SOME ADDITIONAL NEW INITIATIVES TO STABILIZE AND GROW THE ECONOMY

Jamaica has been muddling through for decades, relying on gifts and loans rather than the productive capacity of its people. In the 1970s we got gifts and loans in the name of politically orientated international brotherhood.

In the 1980s a credible attempt at rebuilding the export sector was made but this was derailed with the financial sector collapse of the 1990s. In the 1990's we saw a massive expansion in remittances, effectively gifts from Jamaicans working abroad, and started borrowing from the international capital market.

However, after nearly four decades, the time for muddling through is now over.

It is now time for us to **invest, grow and develop our way out** of the problems that we have for decades created by our own action and inaction.

Mr. Speaker, the Honourable Prime Minister and the Minister of Industry, Investment and Commerce, have outlined several new initiatives that are being examined to improve our competitiveness and ultimately the expansion of our export sector.

In addition to new initiatives already outlined, I will briefly outline some others in this presentation.

TO DIVERSIFY TO EXPORT-LED GROWTH

The failure to adequately diversify our economy over the past two decades has presented a clear and present danger. In short, Jamaica is now facing the consequences of literally decades of failure to create new export industries, or what some academics call a lack of industrial self-discovery. We intend to implement a new strategy of export-led growth which will include:-

- i. The creation of an International Financial Centre.** Mr. Speaker, there seems to be a lot of misunderstanding of what we plan to accomplish. The creation of an IFC is not the creation of an offshore banking industry. The intent is to provide a location where the services of our accountants, lawyers, financial advisors, IT specialists and clerical workers, can be accessed.

This is done by encouraging international companies through taxation, infrastructure such as ports, and communication, to use our local professional personnel. This will create significant opportunities for thousands of students leaving universities with very little opportunity available to them.

We have spent significant resources on our sea and air ports, on our telecommunication infrastructure, and on university education. The objective is to bring all of this together under the creation of an IFC. Of course this means that our location, language, time difference, sun, and natural beauty are added bonuses to any investor.

- ii. **In respect of the revitalisation of Downtown, Kingston,** Cabinet will shortly be reviewing the Urban Renewal Act to enhance the attractiveness of private investors moving their regional operations to Downtown Kingston. In addition, the Government intends to lead the way in moving some of its offices Downtown.

- iii. **The focus on agriculture and Agro-industry.** We have increased this year's expenditure allocation to the Agriculture Ministry to enhance food security and exports. I expect this sector to be a "quick-win" for Jamaica.

The aggressive development of the processed foods sector will be a major item on our agenda of finding alternative sources of employment and foreign exchange earnings. The Government of Jamaica will work with food processors to expand production and export of Jamaican products to our vast Diaspora to increase exports from US\$50 million to US\$500 million in a few years.

iv. **Special Project – Caymanas Special Enterprise Zone**

Mr. Speaker, the Minister of Investment, Industry and Commerce has already announced plans for the establishment of the Caymanas Special Enterprise Zone.

This project, to be sited on 1,000 acres of prime real estate at Ferry, St. Catherine will be home to the next great economic space for Jamaican enterprise. It is expected to create some 10,000 new jobs in the next 3-5 years at an estimated cost of US\$2.5 billion or about J\$200 billion.

The Minister has been working with the UDC, the Port Authority, the Ministry of Transport and Works and the Ministry of Agriculture to complete an impact assessment and other studies looking at the provision of potable water and traffic impact. It is envisioned that the Tinson Pen airstrip will be relocated to a site adjacent to the economic complex. Additionally, a railway leg will lead to the Port, which is critical to the overall development.

The project entails, Mr. Speaker, the build-out of units that will service the ICT industry, the services industry, and provide warehousing and light manufacturing, such as agro-processing.

INQUIRY INTO THE COLLAPSE OF THE FINANCIAL SECTOR IN THE 1990S

Mr. Speaker, in my presentation last year I announced my intention to appoint a Commission of Inquiry into the financial sector collapse, I am pleased to announce that the Commission has been established and the members are:- Chairman The Honourable Justice Boyd Carey (Retired), Mr. Charles Ross, Mr. Worrick Bogle and Secretary Mr. Fernando DePeralto. The Commission's first meeting is scheduled for July 1 of this year. Preparatory work will commence later this month.

I invite everyone who can make a contribution to a better understanding of the circumstances that led to the financial sector collapse to participate in this Inquiry.

4. AMENDMENTS TO THE REVENUE PACKAGE

Amnesty Programme

Since my invitation on April 23, of a voluntary compliance programme, in which there will be no questions asked from those who seek to register and become tax compliant, I am pleased to inform this Honourable House that many self-employed persons have made contact with the Inland Revenue Department with the plan to take up my invitation.

I wish to thank them for this and to remind all non-compliant taxpayers to embrace the opportunity **now** to register, pay Income Taxes for last year, and the previous 5 years of income taxes (which are due under the Income Tax Act) will be forgiven.

I can assure you that we are rapidly building the capacity to find non-compliant taxpayers and to carry out assessments of your income in accordance with the Income Tax Act.

Imported Services

I wish to say a word on the issue of imported services, which forms an important part of the revenue that we expect to generate from General Consumption Taxes (GCT) this year.

This is an area that was identified by the previous Government from 2003 and was placed in the GCT Act, but was not enforced.

Section 23B of the GCT Act provides for GCT to be charged on imported services. These are services supplied by a non-resident to a resident who is the recipient of the service.

Ordinarily if the service was rendered in Jamaica, unless the service is exempt, the supplier would be liable to collect the GCT from the recipient and pay this over to the revenue.

When the service is rendered from overseas by a non-resident, the Jamaican Tax Authorities would find it impracticable to collect the GCT.

The law therefore deems the resident who is the recipient as liable for the GCT. The recipient will be liable for 16½% on the consideration paid to the non-resident.

The deemed taxpayer (the recipient) is expected to file a return within 30 days of the supply of the service.

Examples of “Imported Services” that will now attract GCT are:

- IT services
- Architectural Services
- Consultancy Services
- Insurance Services
- Professional Services
- Entertainment Services
- Various kinds of Specialized Services, including Accounting and Legal Services, Management and other professional services.

5. CONCLUSION

Mr. Speaker, all of the initiatives outlined by all the Government speakers in this Debate, both policies and programmes already in place and those to come, clearly demonstrate that the rebuilding of our social and economic foundation has started as we ride out the storm and seek to secure our future.

- We have successfully implemented the \$40-million Constituency Development Fund (CDF) to ensure that people in all 60 constituencies benefit from this expenditure.

- We have abolished tuition fees in public schools up to the secondary level, and now we will enhance the School-feeding and Nutrition Programmes by \$1 billion to ensure that our children are fed 5 days a week.

- We have abolished user fees in our public hospitals and enhanced the availability of drugs

- We have expanded the PATH programme to include some 120,000 additional Jamaicans living below the poverty line.

- We have provided \$125 million in grants to needy students through the Student's Loan Bureau.

- Supported by Government and the Tourism Enhanced Fund, we can see the great and visible work being carried out by the National Solid Waste Management Authority (NSWMA)

- Significant work is being done at the Customs Department and Inland Revenue Department in protecting the revenue.

- We have secured cheap loans through the multilaterals and facilitated greater communication with all our development partners including the International Monetary Fund (IMF).

- We have begun the aggressive privatization of public sector entities.

- We will provide an additional \$2.0 billion for small businesses and micro-enterprises.

- The EXIM Bank will continue its aggressive support of the manufacturing and export sectors which include the IDB Liquidity Support Programme through the DBJ and the US\$100 million line of credit from China.

- We have provided \$250 million for jobs for young people under the Young Entrepreneurs Programme (YEP).

- And we on this side of the House have set the example of sacrifice in these difficult times, by giving up 10% of our salaries.

Mr. Speaker, this Budget Debate, crafted at the most difficult of times, has brought out the best of our Jamaican society. It has displayed the patience, intelligence and strength of our people. It has taught political leaders that our people demand honesty and transparency and will accept no less. It has shown that while differences remain among both political parties, there is much common ground upon which a consensus can be forged.

As I said in my opening presentation, I am confident 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. The tone of this Budget Debate is a strong indication that we are off to a good start. I look forward to continuing to work to build a better Jamaica.

Mr. Speaker, I have been in the job for almost two years and it is a humbling experience to serve the people of Jamaica. My first year on the job was challenging, but I remain positive that we, all of us, will see through these tough times with the certain hope that there is a better and a brighter future. For decades we have asked the Jamaican people to “tighten their belts” and yet the outcome of those experiences remained questionable.

I know the hardships that this Budget will create for many but we promise Jamaica that under the Prime Minister’s leadership we are working hard to find the solutions to ensure that the days of “tightening our belts” will be behind us and the fruits our labour will be borne and shared.

We do not have all the solutions, but if we work together I am sure we will find most of the solutions. As Minister I do not claim perfection but my commitment to play my part along with my colleagues in offering good governance, remains firmly intact.

Mr. Speaker, as I close let us remember that in all that we do we should ask God to give us wisdom, and guidance in all our undertakings and let us be mutually guided in those simple but profound words expressed in the book Micah; chapter 6 verse 8:

“And what does the Lord require of us, but to act justly, to love mercy, and to walk humbly with thy God.”

May this be our prayer. May God richly bless you all and may God bless Jamaica!

Audley Shaw, MP

Minister of Finance and the Public Service

May 6, 2009