

# OPPOSITION'S REPLY TO THE BUDGET PRESENTATION

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March 10, 2022

## **Narrowing the Gap: Uplifting the People**

### INTRODUCTION & SALUTATIONS

Madam Speaker, I am honoured and humbled to rise before this Honourable House to deliver the Opposition's reply to the budget. I stand here today with gratitude to the Almighty for his many blessings and his hand of guidance and protection in difficult and challenging times.

I want to thank my family for their consistent support and love which enables me to serve in this House. My wife Mariame, my children PJ and Amara, are my rocks. I have been blessed to have wonderfully supportive parents who instilled in me a sense of public service and a duty of care for those less fortunate than myself. My father is always by my side, from my days playing football and cricket as a schoolboy to now, from the distance of the Hague. From my mother who looks down from above, I draw inspiration, guided by her favourite Bible verse, Psalm 27 vs 1 – “The Lord is my light and salvation, whom shall I fear?”

Madam Speaker, it has been my honour to represent the citizens of South East St. Andrew, who have elected me on three consecutive occasions to represent their interests. I continue to be humbled by the responsibility they have charged me with, and I will continue to represent them with dignity, integrity, accountability, and transparency. I thank the constituency team whose commitment, dedication and service has enabled me to stand here today.

I also recognise with gratitude the members, workers and delegates of the People's National Party, my colleague Members of Parliament, and, specifically, my party President and Comrade Mark Golding, for the confidence reposed in me.

And Madam Speaker, when the toil is heavy and the campaign is long, I soldier on, inspired by the sacrifices of the Jamaican worker:

- the nurses, doctors and other healthcare workers who risked life and health to keep Jamaica safe during the Covid pandemic
- our police officers and soldiers who protect us from evil
- our teachers
- our entrepreneurs and businesspeople who find ways to make it happen even in the most adverse conditions

Indeed, all the people who work, whether you sign in or run your hustle. I see you! I respect you! I thank you!

Madam Speaker, my contribution to this Budget Debate is within the context of a Jamaica that is at a critical moment in our nation's story

and in the story of the world. This year marks 60 years as an independent nation, our Diamond Jubilee. Never have we faced as many complex challenges, globally and locally. But Madam Speaker, never have so many opportunities been available to us as a nation, to change course and seriously pursue the growth that has eluded us for decades. There is a Chinese character that has a double meaning – crisis and opportunity. This moment in our history represents both. What is important is how we move forward.

To navigate our way through the world we live in today, to position our people to fully achieve their potential, and to achieve the elusive growth we so need and desire, we as Jamaicans need to make some decisions about where we are going. We have 60 years of charting our own path to learn from our mistakes and from others. We now need to decide.

Is it okay that over 50 per cent of school leavers can barely read? There are the “haves” - those students who can afford to access education online - and the “have nots”, the vast majority with neither a device nor internet access. Are we satisfied with a Jamaica in which Covid has amplified educational inequality?

How long can our nation survive in a rapidly digitizing global economy without investing in our people or providing the resources to enable and empower digital entrepreneurs?

Are we satisfied with using our athletic success, our reggae and dancehall music, indeed our entire cultural heritage as “poppy

show", enough to play for tourists and adverts, but not important enough to invest serious resources in? How long do we plan to cast off dancehall culture, only to hug up and celebrate individual successes when they are recognised abroad?

Are we all fine with cowering in fear in our homes, locked behind grill gates or crouching under beds to duck gunshots? Is it okay that the law-abiding citizens are paralyzed by fear of crime and violence, and that the murders never seem to stop?

Is a Jamaica where corruption and mismanagement goes unpunished, where there is unequal treatment of the powerful and well connected versus the poor, under the law, really a place we want to live, work, raise families and do business?

Are we satisfied with being a nation where there is significant wealth in the hands of a few but where the majority struggle each day to make ends meet?

Madam Speaker, the challenge for us as leaders today is clear: How do we narrow the gap? How do we uplift the majority of our people?

Madam Speaker, the Jamaica we all want to live in can exist. But it takes inspired, creative, honest, and accountable leadership, with policies that are people-centric, progressive, and just.

## BUDGET ASSUMPTIONS

Madam Speaker, when the budget documents were tabled in February, I raised questions about the credibility of the assumptions in the budget. I listened carefully to the presentation of the Minister of Finance when this Honourable House met two days ago to see if he would make any adjustments to these assumptions. He did not. I therefore have to question the assumptions on which this budget is based.

Madam Speaker, a budget is an income and expenditure plan which is based on a set of assumptions. Meeting the targets outlined in the budget depends on these assumptions. When budget assumptions are not in sync with the local and international environment, they amount to unrealistic promises, which cannot be kept, leading to more poverty and frustration for the ordinary people.

In 2020 at the time the Minister presented the budget, we didn't have a Covid case in Jamaica, but it was obvious that covid would have an impact in the global economy. The Minister was not proactive and did not adjust the assumptions in the budget accordingly. He had to *wheel an come* again a couple months later with a supplementary. When he presented his budget on Tuesday, there was a full-fledged conflict raging in Ukraine. Will the Minister come to us in a couple months with another supplementary budget? Why not make the adjustments now?

Madam Speaker, the budget, as laid out by the Honourable Minister, may balance the books, but it will do so on the backs of the Jamaican people.

As an example of a questionable assumption, let's take the oil price forecast on which the current budget is based. The Minister presented a budget based on WTI oil price of US\$67.50 per barrel, a figure unrealistic even before the conflict involving Russia and Ukraine started. At the time the budget was tabled, oil prices were already trading at close to US\$90 per barrel, due to the demand and supply imbalance as the global economy recovers from the Covid-19 pandemic.

Madam Speaker, the American benchmark crude West Texas Intermediary traded at US\$123.70<sup>1</sup> per barrel this week, and the British benchmark North Sea Brent Blend traded at US\$123.21 per barrel – the highest prices in 10 years. And now, we have news of the United States instituting a ban on imports of Russian oil and gas. These high prices are not forecast to go down swiftly either: recent contracts have oil trading at as high as \$99.07 in December 2022<sup>2</sup>. Globally, Russia is the third largest oil producer and the largest oil exporter<sup>3</sup>, producing some

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<sup>1</sup> Settlement price on March 8, 2022. <https://www.marketwatch.com/investing/future/crude%20oil%20-%20electronic>.

<sup>2</sup> <https://www.marketwatch.com/investing/future/crude%20oil%20-%20electronic>.

<sup>3</sup> <https://www.washingtonpost.com/business/2022/03/08/russia-oil-imports-ban/>;  
<https://www.iea.org/reports/russian-supplies-to-global-energy-markets/oil-market-and-russian-supply-2>.

11-12 per cent of the world's oil output<sup>4</sup>. A one per cent drop in output leads to a 5 per cent increase in the price of the precious commodity.

Madam Speaker, last year the Government projected oil prices at US\$45 per barrel, and based on its own estimates, the average price is likely to be US\$73 per barrel by the end of this fiscal year. This is more than 60 per cent higher than the amount that was projected for FY 2021/2022 in the Fiscal Policy Paper tabled in February of 2021. The US\$67.50 per barrel projection for FY22/23 is lower than the revised estimate of US\$73 per barrel for FY21/22. This simply does not make sense given the changing global environment.

The Minister needs to explain the variance in the Ministry of Finance's projection of US\$67.50 per barrel in the Fiscal Policy Paper and Petrojam's own projected average sale price of US\$79.36 per barrel in the Public Bodies Estimates of Revenue and Expenditure<sup>5</sup>. Both documents were tabled at the same time, on February 10, 2022.

In any event, Madam Speaker, while oil prices may not remain as elevated for the entire fiscal year, it is highly unlikely that its price will fall to an average of US\$67.50 per barrel during the upcoming fiscal year.

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<sup>4</sup> <https://www.eia.gov/tools/faqs/faq.php?id=709&t=6>

<sup>5</sup> Government of Jamaica. 2022. Jamaica Public Bodies – Estimates of Revenue and Expenditure for the Year Ending March 2023; p. 212.

## IMPLICATIONS FOR THE BUDGET

Madam Speaker, oil has a snowballing effect on all prices in an energy intensive local and international economy and, as a result, if you get the oil price forecast wrong, the inflation forecast is also going to be wrong. Higher than projected oil prices will also have a negative impact on the trade and current account deficits.

While the higher oil prices will allow the government to collect more revenues from the taxes on petroleum products, the inflationary impact of higher oil prices on businesses and consumers will result in a fall in real disposable income. Therefore, businesses and consumers will have less money to buy other consumer goods and services after they pay their fuel, light and water bills.

Madam Speaker, getting the inflation target wrong means that the country will have to find more money to service debt, and we believe the inflation target of 5 per cent is way off base. The inflation rate was already running at 9.7 per cent in January 2022 – before the estimates were tabled – and the rates for our major trading partners in January 2022 were USA 7.5 per cent; UK 5.4 per cent; EU 5.1 per cent and Canada 5.1 per cent.

Madam Speaker, the conflict in Ukraine and the accompanying sanctions are going to increase the global supply chain bottlenecks and that, in conjunction with higher energy prices, will continue to drive inflation higher for most of this year. Jamaica's debt is extremely

sensitive to changes in the exchange rate, as well as changes in interest rates and this is amply demonstrated in the Medium-Term Debt Management Strategy<sup>6</sup>, tabled in Parliament last month.

Madam Speaker, the Debt Management Strategy<sup>7</sup> tells us that a one per cent fall in the exchange rate increases the country's debt stock by \$13.664 billion and adds \$673.0 million in interest cost, resulting in a total cost of \$14.37 billion or 0.6 per cent of GDP. A one per cent increase in interest rates adds \$2.41 billion to the cost of servicing the domestic debt and \$4.18 billion to the cost of servicing the external debt, resulting in a total cost of \$6.59 billion or 0.3 per cent of GDP. What that means is that if these increases take place, this money will have to be found from within the budget. That means either a cut in expenditure on social programmes or a re-allocation of money from other activities.

Madam Speaker, the Debt Management Strategy explains the country's vulnerability to changes in the exchange rate and interest rates and why the central bank's current policy of increasing interest rates to contain inflation will lead to higher than programmed debt service charges, which cannot be absorbed by the budget. Yet, when queried about this at Standing Finance Committee, the Minister advised that 'there is space' to treat with this probable event if it were to occur. Where exactly is this fiscal space? Is it in the Contingency

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<sup>6</sup> Government of Jamaica. 2022. Medium-Term Debt Management Strategy; p. 23.

<sup>7</sup> Government of Jamaica. 2022. Medium-Term Debt Management Strategy, FY 2022/23 – 2025/26. See Table 5, p. 23.

budget or will the space come from cutting capital expenditure or reallocating among recurrent expenditure allocations?

Higher than projected oil prices will create greater demand for foreign exchange, as more money will be required to purchase the same quantities of oil. This is likely to create more pressure in our foreign exchange market which will have an inflationary effect if the dollar depreciates.

Madam Speaker, in an attempt to moderate inflation, the Bank of Jamaica has raised interest rates four times since last year. This has moved interest rates from a low of 0.5 per cent in September 2021, to 4.0 per cent in February 2022, an increase of 350 basis points. The BOJ has signalled its intention to continue to use monetary policy and interest rates to bring inflation back down to the four-to-six per cent range. It is expected, therefore, that interest rates will continue to increase if inflation remains above the target range.

Madam Speaker, while I have focused on the impact of increased interest rates on debt servicing charges and the Budget, I have to bring attention to the likely impact on economic activity. Increasing interest rates do not impact the economy immediately as there is a lag effect of two to three quarters; the rate increases have to work themselves through the banking/financial system. Further, increases in interest rates are likely to dampen economy activity as the cost of credit rises and will negatively impact the Government's growth projections.

On the issue of the exchange rate, we acknowledge that recently there has been some appreciation and stability on the back of heavy BOJ intervention in the market. The BOJ has pumped over US\$300 million into the market since the beginning of the calendar year 2022. These interventions are clearly unsustainable in the medium to long term and will create pressures when they stop.

Madam Speaker, given the changing realities of the local and international environment as well as the additional burden that will be faced by the Jamaican people as a result of the conflict in the Ukraine, we are recommending that the Government recrafts the Budget to meet these realities.

Now, I know that the counterargument will be that the negative effects of the global crisis will be offset by higher revenues. The primary surplus and the fiscal balance may benefit but the people will, ultimately, pay the price. The additional revenues are not going into people's pockets. They will offset the increased debt servicing from higher than projected inflation and devaluation of the Jamaican dollar.

Madam Speaker, as our former Prime Minister the Most Honourable Portia Simpson Miller would say, the budget is not just about balancing the books but also about balancing people's lives. While the Government will benefit from higher than projected tax revenues because of inflation and high oil prices, this budget will not balance the lives of the Jamaican people.

## COST OF LIVING CRISIS

Madam Speaker, having spent the last two years battling the Covid pandemic, our country has been experiencing a cost-of-living crisis which is set to become worse based on the situation in Ukraine. The cost-of-living crisis is the result of significant increases in the prices of basic food items, increases in the cost of gasoline and electricity, and increases in taxi fares in an environment where many have not recovered financially or physically from Covid. The Jamaican people are suffering.

### Food Prices

Madam Speaker, I am here today to deliver a message to the Minister of Finance: the price of food is too high, and the people are suffering.

Madam Speaker, let me share data on price increases of basic food items over the last 12 months. Now, last year, I made a similar presentation, and I was dragged by the Government and others for using figures and rates from actual retailers and not official Government data. This year, I will use the Government's data, which is an average, meaning that depending on where you buy, your prices may be higher or lower than the CAC figures. What the data reveal, however, Madam Speaker, is that: **FOOD PRICES ARE HIGH AND PEOPLE ARE SUFFERING!**

While the data from Government indicates that the annual inflation rate will be in the range of 8 to 9 per cent, consumers are faced with price increases significantly higher than that.

Let's consider some basic food items. In just the past year: from January 2021 to January 2022, according to the Consumer Affairs Commission, the people have been subjected to increases of up to 40-odd per cent, and this is just in basic food items.

**AVERAGE PRICES FOR BASIC FOOD ITEMS**

<b>Product</b>	<b>January 2021</b>	<b>January 2022</b>	<b>% increase</b>
Hardough bread - 2lbs/900g	\$343.78	\$420	22%
Chicken – 1kg	\$559.34	\$701.92	26%
Cooking oil – 500ml	\$226.04	\$324.75	44%
Corned beef – 340g	\$391.82	\$531.25	36%
Cornmeal – 1kg	\$110.45	\$123.38	12%
Counter flour – 1kg	\$98.96	\$130.85	32%
Sugar – 1kg	\$247.32	\$264.24	7%
Salt fish – 1kg	\$1,141.30	\$1,329.34	16%
Mackerel – 155g	\$92.52	\$107.75	17%
Milk powder – 80g	\$135.53	\$147.23	9%
Rice – 1kg	\$113.86	\$157.56	38%
Sardines – 106g	\$151.37	\$170.69	13%
Condensed milk – 395g	\$289.26	\$334.80	16%

Source: Consumer Affairs Commission 2022

Where items have multiple brands, the average price is used

As an aside, Madam Speaker, the CAC does not track price changes in chicken back. Chicken back, a staple food for many people, today costs anywhere from \$120 to \$200 per pound.

Now, Madam Speaker, looking at these increases, how do we expect the people who earn the least to do the most basic thing for their survival: which is to eat? How do we expect working people to maintain their health and their dignity when they cannot afford to feed themselves and their families? How do the children learn? Madam Speaker, the Government needs to narrow the gap and uplift our people. Too many people are suffering!

Last year, I spoke about food poverty – that reality is being faced by many of our people. Please bear in mind that these are January 2022 prices. In the past two months, most of these prices have gone up higher than what is reflected in the chart, and many are expected to go up even more, as the conflict between Russia and Ukraine, which together account for some 25 per cent of world wheat production, continues to rage. Flour will go up. Bread will go up. Bulla will go up. Tough crackers will go up. Patty, which used to be poor people food, is now \$220 each. If you buy 2 patty and a box drink you might as well buy a box lunch!

Madam Speaker, in his presentation the Minister made a big dramatic announcement: “no new taxes”, he said. The reality, however, is that the Government does not need to impose any new taxes as it will be collecting a lot more taxes as oil prices rise and inflation skyrockets. To the ordinary Jamaican, the effect of the increases in everything from food to electricity, to gas at the pump, feels the same as a new tax. Call it *macka* or call it prickle, *when it jook you it hot same way*.

As oil prices rise, the government collects more taxes. The *ad valorem* tax is a variable rate which means it moves with the price of gas. It is calculated as 10 per cent of the ex-refinery price plus the Special Consumption Tax. So, a higher gas price means more taxes and, in fact, since this Budget was based on oil prices of US\$67.50, the Government earns a windfall in revenue as oil prices remain above this level. It is the poor consumer from whom more is sucked out.

In 2019, this same Minister said inflation is the worst tax on the people. He said, and I quote:

“Nothing destroys economic independence as much as high, runaway inflation. High, pervasive inflation of the past has ruined tens, maybe hundreds of thousands of lives in Jamaica and the primary and secondary effects of high inflation have also devastated thousands of businesses”<sup>8</sup>.

We agree with you on this Minister! Inflation is a most cruel tax as it affects fixed income earners the most. As inflation rises, the Government collects more revenues. Let me use a simple example to illustrate this point. If last year the price of a pen was \$100, the Government would collect \$15 in GCT as the rate is 15 per cent. When the price of the pen moves to \$150 this year, the Government collects \$22.50 (15 per cent of \$150). So, if we take this example across the wide range of goods and services, where prices have increased, we

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<sup>8</sup> Government of Jamaica. 2019. Growth with Equity: Economic Independence, Economic Opportunity for All and Protection of the Vulnerable; p. 11.  
[http://www.caribbeanelections.com/eDocs/budget/jm\\_budget/jm\\_budget\\_2019.pdf](http://www.caribbeanelections.com/eDocs/budget/jm_budget/jm_budget_2019.pdf).

can see how the Government will collect much more in tax revenues, without the need to introduce new tax measures. *Macka or prickle, jook hot same way.*

## Minimum Wage

Madam Speaker, part of the reason these increases hurt so much is that while everything goes up, most people's wages and salaries remain the same. But even when they go up, its often not by enough to keep pace with the rate of inflation. For 4 long years, the lowest paid workers in Jamaica – helpers, ancillary workers, security guards and so on – waited and waited patiently for the raise of pay promised to them by this Government. The increase to \$9000 is far from what it needs to be. In fact, inflation has already eaten it away.

On this point, I know I have a friend across the aisle. The member from North East Manchester, in 2015, promised the country that should the JLP form the Government, the minimum wage would move to US\$5,000 per annum or at the time, about JM\$15,000 per week<sup>9</sup>. But when Man-a-Yard get him big work a town as Minister of Finance, it seems he forgot to implement it. Madam Speaker, the people did not forget. We do not forget.

Madam Speaker, my constituent, and to maintain her dignity I will call her Sharon, is a single mother of two working as a domestic helper.

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<sup>9</sup> <https://jamaica-gleaner.com/article/lead-stories/20160128/audley-shaw-calls-us5000-minimum-wage>.

She earns \$10,000 per week – which is above the new minimum wage – and she still can't make ends meet.

These are Sharon's weekly bills:

- \$2000 a week for bus and taxi fare to get to and from work
- \$2000 a week for her children to travel to and from school
- \$2000 a week for the children's lunch
- \$1000 a week for phone credit and internet
- \$3000 a week for food
- \$1000 for electricity
- \$2500 a week for rent

That's a total of \$13,500 which is still more than her higher-than-minimum-wage income.

Madam Speaker, I have to ask the Minister directly: How does a single parent pay for food, rent, light, water, transportation, internet on \$9000 a week?

To put it into perspective for my colleagues across the aisle, \$9000 cannot even buy one single bottle of the Rosé Champagne that a Minister, a Councillor, and their colleagues enjoyed during their no-movement day celebrations at the height of the deadly pandemic.

Madam Speaker, \$9000 per week can neither address food poverty nor education inequality. It is a vicious cycle.

On behalf of the workers of Jamaica, the Opposition is calling for an increase in the minimum wage to \$12,000 per week, which we believe would better allow people to meet their basic needs. Madam Speaker, I know there are some who will say that the employers of minimum wage earners will not be able to afford these increases as they earn fixed incomes. My answer to that is they may need to reorder their arrangements, where for example, a domestic helper works 4 days a week instead of 5 and has the extra day to work somewhere else.

Further to that Madam Speaker, we want to move away from a “minimum wage” and instead look at implementing a mechanism to determine a “liveable wage”. This should be rooted in analysis of annual price movements, the inflation rate, and a determination of the basket of goods and services consumed by lowest earners. This analysis should be done annually to protect the most vulnerable workers against the ravages of inflation.

Madam Speaker, when the Minister spoke, he announced the Government's intention to provide relief of \$200 million to families that are not on PATH, \$250 million in care packages, through MPs and other organisations, and the possibility of another \$250 million should the need arise. Madam Speaker, while any relief is welcome, we view this as woefully inadequate to address the nature and scale of the suffering which exists. It is important to break down what this assistance means to a family. As I showed earlier in the case of Sharon,

a one-off payment of \$10,000 cannot last a week for her and her family. An MP who receives \$3 million for care packages may be able to deliver 1,000 packages if he/she stretches it to the maximum. In constituencies with many hungry persons, it becomes difficult to select those in need as there are so many. The \$700 million the Government projects to spend to assist the most vulnerable works out at 0.03 of 1% of GDP. It is simply not enough. One-off payments are only a partial solution. Let us narrow the gap and uplift our people.

### Public Sector Compensation Review

Madam Speaker, as we speak about salaries and wages, I'd like to focus for a moment on the matter of Public Sector Compensation. The Opposition has always supported the call of the Trade Unions for a Review of the Compensation structure in the Public Service, and we actually started this process when we were last in Government. The truth is, every time a sacrifice must be made to balance the books, successive administrations have called on the public sector employees: Teachers, Police, Nurses, Doctors, Civil Servants, Fire Fighters, Correctional Officers and others to hold strain. Our faithful and hardworking public servants have done so over and over and over, with just one caveat. They have demanded the Review of Compensation in the Public Sector.

Now having waited and waited, we support these workers' right to an improved Compensation package. We on this side look forward to the Unions and the Government signing off on a new agreement

going forward, effective 1st April of this year. We expect that with this year's 19 per cent increase in the wage bill, that there will be equity for all. To attract and retain the most competent and talented people, necessary for an efficient public sector capable of significant contributions to growing our GDP, those positions at the top deserve appropriate increases. However, those lower paid workers such as security guards in schools and colleges, grounds men, women in the school canteens, porters and other ancillary workers in the health sectors, civilian workers in the JCF and JDF, including staff of this very Parliament, like the orderlies are also deserving of their *raise a pay* as well. We await the details of the wages scales to see if justice has been done for them. The wages-to-GDP fiscal rule is, of course, a concern. To achieve both just pay and meet fiscal rules, it is simple. The economy needs to grow.

We understand the value and importance of these Fiscal Rules as our last Administration started the process of enacting these rules to ensure fiscal discipline and sustainability. Again, we support increased compensation for the hard-working and committed public sector workers including those in the broader public bodies too. They should not be asked to wait any longer.

Madam Speaker, before I move on from the Public Sector Compensation, I am making a plea for an urgent review of the approach to workers in the public sector who are doing permanent jobs but are restrained by fixed-term contracts, some of which are

abusive and exploitative. Why deny these workers the chance to earn a pension after years of loyal service to the public? Can the Minister say how many public sector workers in the Ministries, Department and Agencies are currently on fixed term contracts? How many of these will enjoy no gratuity payment when their contract ends?

On Tuesday, the Minister mentioned the pension system and how long it takes persons to qualify for pension. His aim is to reduce it to five years and make it portable – from one job to another. Minister, please do not forget contract workers as you deliberate on how to improve the pension system.

Madam Speaker, we are committed to continued Public Sector Reform. We welcome the move to rationalise the various pay levels, but we must not leave any of our dedicated and hardworking public servants behind. Government policies must narrow the gap and uplift the Jamaican people.

### Banking fees

Shifting gears, Madam Speaker, I'd like to speak briefly on the matter of Banking Fees. I want to start by acknowledging the consistent, persistent, and tireless advocacy on this issue by the Member from South St. Catherine. In 2018, my colleague Member of Parliament, Fitz Jackson tabled a private member's motion seeking to amend the Banking Services Act to protect consumers against high bank fees. At the time, every single Member of Parliament on the Government side

voted against the bill, and it died in the House. These fees are bringing the banks multi-million-dollar windfalls, but for the average bank customer, it is truly painful to see the bank *nyam out the likkle money outta dem bank book* for basic banking services.

In recent times, we have heard the Prime Minister<sup>10</sup>, the Minister of Finance<sup>11</sup> and the Minister of Justice<sup>12</sup> speak out strongly against banks that had proposed increases in their fees and charges. Most curiously, the JLP has written to the JLP, asking the JLP to do something about these bank charges. I read the letter, and I believe one of the words they used was “unconscionable”. So, when the JLP wrote to the JLP asking the JLP to take action on bank fees, I expected the JLP to deliver a response which would tackle the problem. But what the Minister announced does not address it.

I must say, the Minister’s remarks on Tuesday were underwhelming. Madam Speaker, it may be one part of the remedy, but what the Minister announced does not address the scale or scope of the problem faced by bank customers. What about the hundreds of thousands of existing bank customers who do not qualify for one of the accounts announced by the Minister? Are they left on their own to the mercies of the banks? What guarantees exist that 6 months or

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<sup>10</sup> <http://radiojamaicanewsonline.com/local/holness-urges-banks-not-to-increase-fees-at-this-time>.

<sup>11</sup> [https://www.jamaicaobserver.com/front-page/banks-warned-justice-minister-says-government-could-be-forced-to-pass-laws-limiting-fees-and-charges\\_242593](https://www.jamaicaobserver.com/front-page/banks-warned-justice-minister-says-government-could-be-forced-to-pass-laws-limiting-fees-and-charges_242593).

<sup>12</sup> <https://jamaica-gleaner.com/article/lead-stories/20220131/chuck-floats-our-style-regulator-banks>.

a year down the road, when public discussion on this issue subsides, that banks don't return to charging exorbitant fees?

Madam Speaker, the Bill which was re-tabled by the Member from South St. Catherine should be brought to the floor of Parliament and fully debated and discussed. We invite our colleague Members across the aisle to work with us, so that we can achieve the objectives of increased customer protection and the mandating of a minimum service package for customers. Madam Speaker, we must narrow the gap and uplift the Jamaican people.

### Cost of petroleum products

Madam Speaker, directly related to the cost-of-living crisis is the matter of gas prices. Over the last year alone, gas prices have increased by over 60 per cent. This has put a significant burden on not just the travelling public, but on everyone, as businesses faced with increased transportation costs have been passing these on to their customers.

Between January 7, 2021, and February 10, 2022 – the latter is the day the Minister tabled the budget documents, the ex-refinery price of fuel, which is the price Petrojam sells to dealers, has increased: 87 octane gas has moved from \$112.05 to \$177.84; 90 octane has moved from \$114.89 to \$182.86, and diesel has moved from \$113.11 to \$179.16. And remember, this is before the marketing companies and the retailers each add their respective markups. Madam Speaker,

every week Petrojam announces price adjustments. And as we all know, when the price goes up, it goes up in dollars, but when it comes down it comes down by cents. Just yesterday they announced that gas is going up by \$4.50 effective today!

### PETROLEUM PRODUCT PRICES

Date	Gasolene 87	Gasolene 90	Auto Diesel
February 10, 2022	177.84	182.86	179.16
January 7, 2021	112.05	114.89	113.11
% increase	59%	59%	58%

Source: Petrojam

Prices reflect ex refinery and do not include the dealer's mark up

Madam Speaker, I use the Petrojam price and not the “pump price” deliberately, because I acknowledge that the most significant contributor to the cost of gasoline is the price of crude oil, which is internationally determined. But Madam Speaker, local taxes play a critical role in the final price of petroleum products to the consumer.

Many Jamaican consumers are not aware of this, but a large per cent of the price of petrol to consumers is made up of taxes. There are three taxes the Government levies on every litre of petrol sold in this country: a Special Consumption tax of \$37 per litre, an *ad valorem* tax of 10 per cent of the ex-refinery price plus SCT, and a “hedge tax” of \$7 per litre which is included in the ex-refinery price.

While the hedge tax and the SCT are fixed taxes, the *ad valorem* is a variable one which fluctuates with the price of oil. So, when the price of oil goes up, so does the amount of money the Government takes in from these taxes. So, for example, if the price per litre for 87 octane gas is \$200, a motorist pays about \$65 in government taxes. That means for Henry, a taxi driver who runs the Papine to Half-Way Tree route, every time he fills up his Probox car, which costs approximately \$11,000, he pays approximately \$3,500 in taxes. When the Minister boasts about no new taxes, we need to understand that Henry and thousands more are paying more taxes, and that goes straight into Government coffers.

Madam Speaker, the Government has announced an allocation of \$2 billion to help the Henrys of this world. We look forward to hearing the details to see the basis on which persons will be selected for assistance. I would also like to make a plea for non-taxi drivers as well. What about the teacher, the nurse, or secretary who have their little car, and watch the prices going up every day? The tax is extracted from all drivers, and there are many others who should be considered for relief. Madam Speaker, the Government collects between \$6 billion and \$7 billion from the hedge tax. We call on the Government to spend the entire amount it takes in from the hedge tax on relief for the people and to extend its reach to impact more drivers. We need to narrow the gap and uplift the Jamaican people.

## ENERGY

Madam Speaker, overall, in terms of energy, this Government has been slow in running its leg of the relay race and has dropped the baton on several issues. The energy portfolio has seen a revolving door of Ministers and now, we are behind in our quest to diversify our energy mix. Once again, Jamaica finds itself at the mercy of international currents, with every step toward economic growth stymied by the threat of fiscal destabilization due to energy costs.

### Energy Efficiency Renewable Energy, and Climate Change

When the PNP left office in 2016, Jamaica was on track to achieve the very ambitious target that we set for the country: to have 20 per cent of its energy mix from renewables, and 30 per cent by 2030. This Prime Minister has expressed his desire for that to be 50 per cent by 2030. But Madam Speaker, vision without execution is mere hallucination.

When we left office in 2016, we had started a Request For Proposal<sup>13</sup> process to identify investors for 115MW of renewable energy. Since then, no additional RFPs have been issued. There is a RFP to be executed by the Generation Procurement Entity in the Ministry of Energy coming out of the Integrated Resource Plan, but the RFP is yet to be published. How are we to achieve that vision of diversification if we don't take steps toward making it a reality?

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<sup>13</sup> Request for Proposals

Madam Speaker, again we must highlight the lack of accountable leadership in energy, when we raise the matter of the GOJ Public Sector Energy Efficiency and Conservation Programme. That programme was started when we formed the Government, and it was intended to derive real savings from infrastructural improvements of public sector facilities, plants, and offices. At the time, the public sector accounted for a significant amount of the national energy demand, and it was projected that investment of about US\$30 million in efficiency and conservation activities such as:

- replacing old air conditioners,
- reducing the heat load on roofs
- installing solar panels
- replacing lighting with LED bulbs among others

These would realise reductions in consumption and savings.

It is time for an update, Madam Speaker. The Government needs to report what the status of the programme is, what savings have been realised or bills offset, and tell us when it plans to complete the programme. It has been 6 years; we started the initial investment, but it seems as if execution has stalled. What's going on?

By now, I we must all recognise the dual problem of our dependency on oil and the negative effects on our economy and climate. It is imperative, therefore, that the Government accelerates policies and programmes that reduce our dependency on oil and promote

energy efficiency. This is necessary to reduce our ever-increasing energy bill, while promoting the use of cleaner energy solutions.

Jamaica gave a commitment at COP26<sup>14</sup> on the concrete actions it would take to reduce greenhouse gas (GHG) emissions. Jamaica updated its Nationally Determined Contributions (NDCs<sup>15</sup>) in June 2020 with a particular focus on energy sector (supply and end use) and land-use change and forestry<sup>16</sup>.

Specifically, we are calling on the Government to:

1. Remove taxes on all energy efficiency products, particularly batteries to power solar operations
2. Aggressively promote the line of funding through DBJ for individuals to access funding to implement energy efficient solutions in their homes
3. Focus on developing the infrastructure across the country to facilitate the installation of electric charging stations, including at the level of the household. This will open opportunities for youth to become more involved in the sector.
4. Align the fiscal regime with policies, plans and programmes to be implemented as the country prepares the 2050 Long-term

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<sup>14</sup> Conference of the Parties

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<https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Jamaica%20First/Updated%20NDC%20Jamaica%20-%20ICTU%20Guidance.pdf>.

<sup>16</sup> <https://jis.gov.jm/jamaica-to-participate-in-climate-change-conference-in-scotland/>.

Emissions Reduction and Climate Resilient Strategy for Jamaica under the Climate Action Enhancement Package (CAEP).

Madam Speaker, let us not hallucinate any longer. We need to get back on track with energy diversification now!

### Divestment of JPS Shares

Madam Speaker, I would like to mention here that we are opposed to the Government's proposal to divest its 20 per cent ownership stake in the Jamaica Public Service. We believe the JPS is a critical infrastructure and a strategic asset for the country which is essential for the proper functioning of our society and economy. The Government should absolutely retain its stake, so it can have a voice at the table.

To be clear, Madam Speaker, we are not against the principle of divesting Government owned assets and, specifically, we have no issue, for instance, with the proposed divestment of the Jamaica Mortgage Bank.

However, we view JPS in a different light and particularly so, given the impact of energy costs on business competitiveness and the cost of living for Jamaicans. We also believe that at this critical time, with oil prices over US\$120 per barrel, the country could face an energy crisis which requires the active involvement of the Government as a shareholder in the strategic and critical infrastructure JPS.

Madam Speaker, there are other reasons why we oppose the divestment. The proposal seems to be driven principally by a desire to earn revenues to support general budgetary activities, rather than any strategic intent.

We are also concerned about how a fully privatised entity will handle the issue of electricity theft, which accounts for about 20 per cent of JPS losses and for which these costs are passed on to paying customers. The issue of electricity theft is not an issue that JPS can resolve by itself but requires the active involvement of facilitating consumers of electricity becoming customers of JPS by making it easier and more affordable to connect legally to the grid. Only with direct Government involvement can this be facilitated. To legally wire a small one-bedroom house and get it passed by the Government Electrical Inspectorate can cost up to \$70,000 which is beyond the reach of many who have a desire to connect legally.

### [Building a New Energy Economy](#)

Madam Speaker, crisis and opportunity usually present themselves at the same time, and from this most recent energy shock, we must seize the opportunities. To support the new, diversified energy economy of Jamaica, we will need significant human capital and skilled workers to design, create, and maintain the systems. We will need, for instance, mechanics for the electric cars, electricians trained in renewable technology, energy economists and auditors and a slew of other professionals to support a local renewable energy industry.

These are the sorts of activities and policies, that narrow the gap and uplift the people.

## SUPPORT FOR MICRO AND SMALL BUSINESS

Madam Speaker, Micro-, Small-, and Medium-sized Entities are the backbone of any economy, and Jamaica is no different. The past two years have revealed much about our local entrepreneurs: that our people are creative, focussed and given the opportunity, can and will grow successful businesses. But many of our MSMEs desperately need support, and we believe the Government can play an important role in ensuring these businesses get the support they need.

A perennial problem with MSMEs, for instance, is lack of access to funding from the formal financial system, but today, Madam Speaker, I wish to bring attention to the first "M" in MSME, the micro-businesses, distinct from general small- and medium-sized businesses- SMEs. Many of these businesses are informal and operate at the community level. These are the corner shops, cook shops, barbers, hairdressers and so on. More than any others in the MSME sector, micro-businesses find it hardest to access financing.

This lack of access to financing from formal sources makes micro-businesspeople vulnerable and forces them to seek funding from what I refer to as "loan sharks". Loan Sharks are also informal lenders, often with no fixed business address who drive around and lend to persons in communities.

So, for example, Chef, a micro-business operator who operates a cookshop will borrow \$40,000, to purchase goods for the operation of the business. Chef is required to pay back \$3,000 every day for a month, or risk dire consequences, like having his cooking equipment seized. Now, if you do the maths Chef would have repaid that loan twice over the 1-month period.

There are those who may question the wisdom of dealing with loan sharks, especially since the amounts the micro-businesses need are generally small amounts. But, if you run a cook shop and have your stove or fridge conk out, you need cash, you need it fast, and you probably don't have the capacity to meet bank requirements or even complete their processes. These small lenders, predatory as their actions may be, are satisfying and meeting a gap in the market. But that means that many of our micro businesses get caught in the debt trap and struggle to get out. Madam Speaker, there is a better way to assist Chef in Portmore, my Barber Wayne in Papine, Aunty Pearl the dressmaker and all the hardworking entrepreneurs who operate micro-businesses.

Madam Speaker, we recognise that not all small lenders are loan sharks, and that legitimate and well-run micro-finance institutions do exist. A solution to the micro-financing issues would both:

1. Provide micro-businesses with the access to the financing they need to operate and expand

2. Give small lenders an opportunity to legitimise their business and grow their clientele in a well-regulated environment.

I am proposing that the DBJ directs a portion of the funding that is set aside for MSMEs to registered microfinance agencies who will then on-lend to these micro-businesses. The truth is, micro-financing from an institutional level is resource intensive for most of the large financial institutions, making the micro-finance agencies ideal to conduct these transactions. By requiring registration of these agencies to qualify for DBJ funds, we can ensure that borrowers are not abused, and that the money actually gets to those who need it, when they need it, and at reasonable interest rates.

Madam Speaker, while access to funding is the primary concern of these businesses, that is not the only support that the sector needs. The Government also has to increase its funding to the Jamaica Business Development Corporation, and to other private and public agencies that can provide business development support such as financial literacy courses and mentorship programmes. The idea is that loan recipients would be required to participate in relevant workshops to provide them with the skills necessary to sustain their businesses and would be assisted in formalising their business affairs.

Madam Speaker, micro businesses are the first port of call for many residents in inner-city and rural communities. While many of them are not formally registered and may not pay income tax, they do pay GCT

on the products they purchase and are critical players in our economy's growth and development.

In many ways, also, micro-businesses stabilise our communities: when a youth has a gainful occupation, whether he run a little cookshop, or barber shop or she run a little bar, or do hair and nails in the family's spare room, that work, that *likkle hustle*, the income from that little business may just be keeping that youth out of crime.

Madam Speaker, I know this to be a fact. Many of my own constituents are these micro-businesspeople on the margins, trying desperately in the face of all the odds to make a success of themselves the right way instead of through nefarious means.

We simply cannot ignore them nor shy away from finding solutions to their problems. MSMEs, inclusive of micro-businesses, are an important conduit for narrowing the economic gap and uplifting our people.

## AGRICULTURE AND FOOD SECURITY

Madam Speaker, I must here make mention of another group of small and micro-businesspeople, our hard-working farmers. For any country in the pursuit of growth, agriculture must be seen and treated as a growth driver and be given the necessary budgetary support.

Madam Speaker, we need to swiftly advance the development of an agricultural development plan for the country over a 25-year period,

implemented in blocks of 5 years. The plan should be crafted around some fundamental pillars. We must:

- a) expand traditional crops to maximize export earnings and develop value added and value chain growth, as well as support the expansion of brand Jamaica globally for example, Jamaica Blue Mountain coffee and Jamaican cocoa which both have significant competitive advantage globally
- b) expand our domestic crop production to address food security through targeting specific non-traditional crops
- c) increase the use of technology and innovation

Some of the critical outputs or outcomes must be:

- increased production and productivity
- rural development
- increase in jobs
- crime prevention
- increased import substitution

Madam Speaker, we must also look at our livestock sector as another growth opportunity. This includes the fisheries sub sector, both onshore and offshore. Importantly, we must re-institute the *Grow what we eat, eat what we grow* campaign.

We also, Madam Speaker, have to put Research and Development on the front burner and apply the knowledge we have amassed over the years. We must use and improve the existing infrastructure

supporting agriculture. The Bodles Research Centre, for example, must be developed as a centre of excellence in agricultural research for both crop and livestock. But we must also develop new Centres of Excellence, for example in coffee cultivation and production which is fast becoming a dying specialty.

If we use the dual global crises of climate change and supply chain issues as an opportunity, we can lay the groundwork for agriculture in Jamaica to take its rightful place as a significant contributor to growth and improve our national resilience by ensuring our food security.

Now, there are some issues that we must deal with urgently and simultaneously to signal to our young people, our women, the current farmers, and fishers who feed us, that we are serious about agriculture. When I travel through Jamaica, three issues always come up in discussions with farmers I meet. Farmers say they struggle with:

1. access to capital
2. the increasing cost of inputs, including fertilizer and
3. praedial larceny, which is a source of misery and their greatest vulnerability.

One of the most credible signals this Government could show the farmers and fishers of Jamaica is to hear their cry and take action.

Madam Speaker, I acknowledge the support the Government, through the Development Bank of Jamaica, is providing for players in the agriculture sector. However, there is still a gap, particularly for

small farmers, who operate informally. The National People's Cooperative Bank, formed over 100 years ago in Manchester to serve farmers and the rural citizenry, would be the ideal institution to provide support our farmers, especially our small farmers.

We are aware of the issues with the National PC Bank a few years ago. But for the last 5 years the National PC Bank has been subject to an intervention that should have lasted no more than 12 months. I am calling on the Government to provide Parliament with a report on this matter and to state definitively when the management of the National PC Bank will return to its over 150,000 members so they can focus on their core of funding the small farmers and the rural citizenry.

Madam Speaker, this Government must also tackle praedial larceny with a sense of purpose. The most heart-rending thing that can happen to a farmer is when an industrious young lady in St Ann puts her money towards buying feed for her pigs, raises them for months, and just as they're ready for market, somebody gone with them.

We can't let that continue, because praedial larceny is the number one reason talented farmers leave the profession.

I call on the Government to amend the current fines under the Agricultural Produce Act from the current \$250,000 to at least \$5 million. Over the past 5 years, the players in the sector have asked for this to be done and to bring this Act under the Proceeds of Crime Act and treat praedial larceny as organized crime. Madam Speaker, we

know that some criminals are trading meat for guns and as such prey on farmers. This, in addition to other measures, will demonstrate that we are serious about supporting and protecting our farmers from praedial thieves.

Madam Speaker, no set of people understand growth the way farmers do. Growing a crop or animal to readiness is often a slow process, requiring attention, investment, patience, and vision. But the rewards are real, and if done right, will yield consistent returns. We must immediately begin to treat agriculture as an important pillar of growth in a new Jamaican economy, so that in years to come, we can reap the fruit.

Madam Speaker, farmers are self-reliant people. They work hard. They are not asking for hand-outs. They are asking for support tailored to their needs. Investment in the agriculture sector – specifically in small farmers – can help us narrow the gap and uplift a significant number of Jamaican families.

## CRISIS IN EDUCATION

Madam Speaker, I must make mention of one of the most important challenges of our time: how to resolve the crisis we face in education. The Covid pandemic has truly been devastating to a whole generation of students, and the report authored by Professor Orlando

Patterson and his team has revealed many inconvenient and disturbing truths about the state of our education system, pre-Covid.

If we are honest with ourselves, none of us should be surprised by its conclusions, as the finding of the Patterson report echo the findings of previous reports. We are not short on analysis, Madam Speaker; rather, we are short on the discipline, the political will to see the necessary reforms implemented.

Madam Speaker, in Parliament last week at the Standing Finance Committee, the Minister of Education answered questions I posed on the extent of the learning loss faced by students. When I heard the answers, I was not convinced of the credibility of the data being provided. I have since checked with a number of schools, not just within my constituency but across the island, and the feedback shows a total and complete disconnect between what the Minister reported in Parliament and the reality on the ground at the schools.

Madam Speaker, the problems are much worse than reported. There are some schools for which there has been no diagnostic test done on any of the students. Further, many of the schools that did tests sent by the Ministry do not consider them in the true sense of being diagnostic to accurately determine the extent of a student's learning loss. Madam Speaker, I am deeply worried that we lack an effective system to even estimate how many, and which students require remedial education.

Madam Speaker, I want to encourage the Minister of Education to personally visit the schools with the respective Education Officers, meet with the principals and get a first-hand view of what is happening at the schools. Minister, don't rely solely on the information from your technocrats, get out there and see for yourself what is going on. The worse response to a crisis is to not acknowledge the extent of the crisis.

Madam Speaker, I also believe that we need to make some hard choices about priorities and resource allocations within the education sector. The Ministry has been promoting its 6<sup>th</sup> form Pathways Program, for which the business case is weak. This is within a context of the Patterson Report which shows grave failings in the current system. There is no point in spending scarce resources to extend high school life by 2 years, when the first 5 years only produces 50 per cent of students with literate, numerate and marketable skills. Apart from the monetary resources, I do not believe the Ministry has the managerial capacity to successfully implement a national remedial program while launching a 6<sup>th</sup> form program.

Madam Speaker, I am proposing that we suspend the implementation of the 6<sup>th</sup> form program and focus all our energies on addressing the current learning loss crisis. We must with urgency begin a national conversation and consultation about the way forward.

Madam Speaker, in the 60th year of our Independence we should not accept that half of the students who spend 10 years in our formal

system of education leave school illiterate and innumerate and have no employable skills.

I am disappointed, therefore, not to see an allocation in the Budget to begin the process of transformation as recommended by the Patterson report. I acknowledge there will be short-, medium-, and long-term goals but we must start and start now. We need to tackle the implementation of the Patterson Report as an urgent National Priority.

Madam Speaker, we must begin to assemble the best and brightest minds to oversee the transformation process the report calls for, so I expected to see at a minimum an allocation for the establishment of a Secretariat. I call on the Government to be proactive, be bold. What better time to take stock than our 60th year of independence?

Madam Speaker, you may ask why I am spending so much time on education. It is because it represents the only avenue for the vast majority of the poor for social mobility and upliftment. When we get this wrong, it disproportionately affects the children of the poor. Poor people don't have the resources to afford extra classes. Poor people *pickney* were most affected by the learning loss as they had no device nor Internet access. We must use our education system to narrow the gap and uplift our people.

## THE DIGITAL ECONOMY AND THE FUTURE OF WORK

Madam Speaker, as we seek to improve the fundamentals and foundations of our economy with investments and improvements in our MSMEs, in agriculture, and education, we must also make ourselves ready for the Future of Work.

I still consider myself to be a young man, but when I attended Champion, Jamaica's top high school, and went to career day, no one ever suggested I become a youtube content creator, or an app UX designer, or a cryptocurrency miner, because those careers simply didn't exist then. The world our young people are coming of age in is increasingly one that is digitized, mobile and decentralised, and looks nothing like the world of 20 or even 10 years ago.

When we speak about narrowing the gap and uplifting people, we're speaking to the sort of visionary leadership that delivers success, opportunity and innovation. When the PNP Government under the leadership of the Most Honourable PJ Patterson spearheaded the breaking of the telecoms monopoly in the 1990s, and I pay tribute to my colleague the Member from Kingston East and Port Royal for his role in that, few could have imagined that we would have so many small medium and large industries operating today whose very existence was facilitated by that bold and visionary move.

In the upcoming decades, many activities that are currently being carried out by people will be automated. But some professions will

remain. Robotization, Automation and Digitalization will have a major impact on the labour market and the modern workforce. Data show that the most promising careers of the future consist of work that complements machine work, or work that largely depends on human skills, creativity and innovation and therefore cannot be replaced by a computer.

Madam Speaker, the future of work has already arrived for a large majority of the online white-collar workforce. As a result, we in Jamaica will not only need to think of industries of the future that will lead to economic growth and think through what our workforce will need to interact and participate in these industries.

## INVESTING IN THE CREATIVE INDUSTRIES AND SPORT

Madam Speaker, when we speak about the global Future of Work and the industries of the future that will lead us to economic growth, we have to think and speak about the areas where Jamaicans have displayed prowess, competence, and accomplishment. For us, that clearly must include the Cultural and Creative industries.

Madam Speaker, there is a vast unrealized opportunity for our people and for our economy to capitalise on the Cultural and Creative Industries.

Let us look at the potential. In 2020, the music industry globally represented US\$23 billion. The global sports market reached a value of \$388.3 billion in 2020, and is expected to reach \$599.9 billion by 2025, and \$826.0 billion by 2030. The global film and video market is expected to reach \$318.2 billion by 2025, and \$410.6 billion by 2030. Jamaica needs to secure its place in this global creative economy. We won't secure our place in this global creative economy by accident. We need to be deliberate and strategic. We need to take it seriously.

What do I mean by taking the Cultural and Creative Industries seriously? It's recognising that it is much more than dance, stage show and round robin, and that there is much more to be done on a policy and governance level to reach our full potential as a people. Yes, Madam Speaker, we on this side welcome with the same great anticipation as the Minister, the re-opening of the entertainment sector.

Personally, I don't know the Minister's friend Keisha, but I'm looking forward to taking my son to a cricket match, and I sincerely hope that my bredren Nutsy will roll through and make a money. But Keisha and Nutsy are just two people in a massive, dynamic industry, but their contribution and the contributions of others is not respected and recognised as they should be. Actors, dancers, singers and players of instruments, chefs, stage managers, publicists, designers, visual and

performing artists, and I could go on and on – the scope for excellence for our people is unlimited.

Madam Speaker, the first thing we need to understand and accept is that the Cultural and Creative Industries is a complex ecosystem, and not a monolithic concept. Within the Cultural and Creative Industries, there are no fewer than 20 subsectors, and within those 20 subsectors, over 40 industries that can be identified, each with attendant activities, linkages, and products.

What obtains now, Madam Speaker, will not move us along a holistic, sustainable path for development of these industries. Right now, for instance, the governance structure supporting the Cultural and Creative Industries is spread across no fewer than 6 ministries:

- Broadcasting falls under the Ministry of Information
- Film is under JAMPRO at the Ministry of Investment and Commerce
- Radio spectrum and telecoms fall under the Ministry of Science
- JCDC is under the Ministry of Culture
- Animation is under OPM
- Culinary arts and craft are the responsibility of the Ministry of Tourism
- If an event license is needed, it requires navigating between the Ministry of Local Government and the Police, who fall under the Ministry of National Security.

The practical result of this fragmentation is that some of our practitioners fall through the cracks. I'll give the example of my friend who is a potter. She is registered on the Creative Industries Registry, but when the Government assigned its relief funds last year under the CARE programme, my friend went on the website, but found that her sector was not identified. Now Jamaica has a rich heritage of potters like Cecil Baugh and Gene Pearson, but the Government forgot about potters. They had relief for musicians, actors, animators, videographers and more, but no potters. How many other subsets of creative practitioners did the Government fail to capture or accommodate?

This absence of structure and fragmentation in governance is then replicated in the Jamaica Industrial Classification done by STATIN in recording the contribution of the Cultural and Creative Industries in the National Accounts. Notably, Madam Speaker, its contribution to the economy is almost certainly under-recorded, because although various aspects of the industry are recorded, they are not identified collectively as inputs from the Cultural and Creative Industries.

Even within the Government, we have no full account of the cultural and creative assets and resources within the public service. Madam Speaker, one low hanging fruit would be simply to conduct an audit of these Government assets. We need information and data in order to plan properly. How else can we leverage and maximise the full potential of these assets? Taxation is not the only means of raising

revenue and GDP. There are other credible ways to narrow the gap and uplift our people.

Madam Speaker, we need to make some fundamental decisions on how we deploy our resources in support of development. There are clear success stories: around the world people know Koffee, Spice, Shaggy, Usain, Shelly-Ann and others, who represent one percent of Jamaica's cultural and creative industry practitioners. Imagine if we can tap into the potential of the majority.

Taking the Cultural and Creative Industries seriously, Madam Speaker, requires a recognition that these assets are worthy of Government attention, policy solutions and investment. It will need discussion, consultation and re-education of our leaders and technocrats, and we must begin now. Investing in the Cultural and Creative Industries in the face of a rapidly changing global economy is one sure way we can narrow the gap and uplift our people.

## GROWTH AND A FUTURE JAMAICAN ECONOMY

Madam Speaker, our Diamond Jubilee finds us tackling unprecedented crises. Globally, the high oil prices, supply chain issues, climate change, and locally: covid, crime, corruption, inequity, and runaway inflation: all of these are real crises that need real, credible solutions because they impact our people.

Real, credible, solutions start with recognising the realities of the world we live in and crafting policies that narrow the gap between the haves and have-nots. This budget is built on the backs of the Jamaican people, and while all of us bear the burden, the most vulnerable, the middle class, the working poor, the unemployed, the single parents, the civil servants, the pensioners, those people are bearing a disproportionate load.

A strong first step to tackling these crises must be for the Government to recalibrate this budget to reflect the realities of our world. \$3 billion alone cannot tackle these problems adequately. In a time of crisis, where Jamaican families are struggling to eat, or to make ends meet, the Government has a solemn responsibility to the poor and most vulnerable, but also to those on the periphery, working people living pay cheque to pay cheque. All of us are suffering.

We know that economic growth is important to our way forward. We also know that in a rapidly digitizing global economy, all paths to growth start with our people. People-centric solutions start with education. We must find the political will to tackle the crisis in our schools and to fix the education system once and for all. We must prepare our children for success in a global environment and for a future of work that looks nothing like what our generation and generations previous are familiar with.

Crisis and opportunity often present themselves at the same time. We must urgently tackle the problems that our micro-and small-businesses

face. We must break down the barriers that small farmers face. We must be bold in advancing energy diversification. Our Cultural and Creative Industries have the potential to put Jamaica on a steady path to economic growth. We should not waste the crisis or disregard the opportunities. We need to act now.

Madam Speaker, at 60 years of Independence, the Jamaica Labour Party has held government for roughly half the time, and the People's National Party for half. Both parties deserve praise for our progress, and we also share the blame for our failures. But for Jamaican people to achieve our greatest potential, there are no green solutions, and no orange solutions, just Jamaican solutions. All of us have a collective responsibility to help propel the country toward growth, but we need innovative, accountable, and compassionate leadership.

Madam Speaker, we call on the Government to put people first, to give us a budget that balances the books while balancing people's lives, and that narrows the gap, and uplifts the people.

I thank you.