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New Year Message 2019

Prime Minister of Belize

Rt. Hon. Dean O. Barrow

My Fellow Belizeans,

This annual December close out address to you is one of high confidence. I believe we have every reason to send off the old year with satisfaction, and welcome the New with optimism. The basis for this buoyancy is manifold; and begins with the fact that it is almost a given in human affairs that good sets the stage for great. Thus, the positive things of 2018 presage not only continuation but improvement in 2019. And the logic that what was well in 2018 will be even better in 2019 is, to me, inescapable.

The fact is that Government got a number of welcome boosts in the last part of 2018, powered by good financial news, good tourism news, and good diplomatic news. That has supercharged our determination to seize 2019 with both hands and wring from it every last bit of the promise with which it is coming upon us.

Let me expand on this a little. As always, first in order of importance in any assessment of how we are doing, is the economy.

In the first half of 2018 Belize's GDP grew by 3.4%, due in large measure to a 5.2% second quarter expansion. And now the Statistical Institute of Belize has certified our third quarter growth figure as a very consistent 3.3%, which is also the best it has been in four years. No one can doubt that we will end the year with an overall economic expansion of not less than 3.5%.

Tourism, as usual, led the way in 2018. And most noteworthy in this regard is the fact that tourism expenditure as a share of GDP has increased from 20.5% in 2017 to almost 25% in 2018. In fact, looking back over the last 10 years, total tourism spending in Belize exploded by 253.5 million dollars. This phenomenal performance is set to continue in 2019, especially with the new Flights from Mexico City and Minneapolis having started in December, and also with the fillips we got from events such as the Sir Richard Branson Belize Blue Hole Expedition.

But tourism wasn't the only winner in 2018. Shrimp began its rebound, leading a third quarter marine exports increase of 43.6%. Citrus is also recovering, with the CPBL factories persevering notwithstanding the underproduction of growers struggling to come back from the devastation of the citrus greening disease. Banana also held its own despite weather difficulties, and the livestock industry was a star performer with increased cattle, poultry and pig production.

Of course, while bananas prevailed, it was not without some difficulty from adverse weather occurrences, including in fact, a few flood events. But the matter is we were completely spared from actual hurricanes and for that we give thanks. Indeed, even our industrial relations climate benefited from relatively mild conditions. While not at all free of disagreement and upset, affairs between Government and its teachers and public officers proceeded without major disruption and actually saw an effort by both sides to reach greater understanding. We are also therefore grateful that in this regard there was no major blowdown.

Also on the social partner front, we believe the Chamber of Commerce and industry can be pleased with the proposed reconfiguration of CITO, including its new mandate to draft a cyber security law for Belize; the 2019 scheduled amalgamation of Government's tax departments into one streamlined entity; and the lift both these last two developments can give to the tax reform exercise that, we all agree, has taken far too long to conclude. As perhaps a harbinger of things to come, there is already a degree of tax do-over. True, it has been enforced in consequence of external pressure. But regardless, our International Business Companies offshore financial sector's low tax regime is now fully available to Belizeans doing business in Belize.

Finally, for this first part of our review, there was Belize's successful turn as President ProTem of SICA, and our smooth handoff on December 14th.

So much, though, for 2018. Let us see now what's on deck for 2019.

In my October press conference, I set out in detail the country's full menu of infrastructure projects. I will not now re-enumerate that list. But there are two particular updates that I must share. The first is that the signing ceremony for the Kuwaiti funding of the Caracol Road is fixed for January 14th, 2019. I remind that this project is being co-sponsored by Kuwait and OFID, and that the latter had earlier signed for its portion. With that January 14th event, the whole cost of the entire road would have been fully funded to the tune of almost 90 million US dollars. This is across some fifty odd miles of virgin terrain to provide all weather access to what is perhaps the most pristine area of our country. Then the Kuwaitis have said to us that they so value their infrastructure cooperation in Belize that they wish to fund another project almost immediately after the Caracol signing. We are therefore proposing to them the Orange Walk/San Estevan/Progreso Road. This will complement nicely the Taiwanese funding of the other road to Sarteneja starting from Corozal Town and passing through Chunox and Cooper Bank.

According to our critics, however, man (and woman) cannot live by infrastructure alone. They want investment in people.

Now I don't quite understand how building out the country's critical infrastructure is not an investment in people. But there are many arrows in Government's quiver. That is why we will be able to do that proudly announced 10 million micro credit facility through the NBB. I stress that all micro enterprises will qualify. This includes small farmers with their corn and root crops and their few pigs and cows; urban and rural arts and crafts makers; and those small cruise tourism tour operators. This funding should help to launch and keep afloat many startup and fledgling enterprises. And the importance of this is underscored by a statistic I just saw: 60% of all new jobs in the Western world are being created by SMEs.

Again, regarding direct investment in people, the launch now of Southside Poverty Alleviation phase 3, does just that. And GOB's Boost program is countrywide and food pantry is has expanded, to a greater or lesser degree, to almost every District Town.

This is the kind of thing that platforms us into 2019. And it is the kind of Government effort that helps to enable social and economic advance, while looking out especially for the poor and the middle class. It is also what helps to empower the private sector so that they can broaden the economy and increase employment.

One example of this is illustrated by the recent news, headlined by Nearshore Americas, that Transparent BPO is currently building Belize's biggest call center. According to our Trade Minister, construction of the new premises is already well underway. When completed, Transparent's new structure will host more than 1500 employees, just about double the amount now working at Transparent's present locations. There is, according to the publication I referenced, much satisfaction with the quality of the Belizean workers at Transparent; and I take this opportunity to pay public tribute to them.

I said earlier that the 10-million-dollar micro credit facility GOB will charter this year, will be available to small farmers. That would notionally include those all-important citrus small farmers. But we are trying to go one better and are in discussions with SSB to provide a dedicated financing stream to small citrus growers. This would be in addition to the 15 million dollar facilities already set up by SSB for industrywide grove expansion and fertilizer and replanting.

Elsewhere in agriculture, GOB continues to look out for Bananas. Seven banana farms in liquidation in the South, were recently bought by the Fyffes group. This is a 45-million-dollar purchase with another 14 million dollars to be injected for the revitalization of 5,954 acres. It is expected to contribute 59 million dollars to the economy between now and 2022, while being responsible for 1400 jobs. GOB is all over this, with the Ministry of Finance providing duty exemption for imported inputs even ahead of the full scale fiscal incentive to be awarded to the group by the Ministry of Trade.

Altogether, then, 2019's economic vistas seem to me to offer a fine prospect. And if only international oil prices would continue to be moderated as promised by the US and the current trend, our Belize would be in clover.

Of course, nothing is ever completely smooth in life. As the inversion of the old saw has it, you can't have silver linings without clouds. And perhaps the darkest, most threatening of those clouds is our continuing inability to contain crime and violence; to hold down the murder rate; to provide the proper level of citizen security.

Now it has long since been admitted that our crime fighting approach has to be interdisciplinary, involving inter-agency collaboration and the deployment of a far flung net of social strategies. What is also inarguable, though, is that the Belize Police Department will remain the centerpiece of the effort to eliminate the triple scourge of gangs, guns and drugs. 2019 will therefore see a concentrated effort on reform for a more effective Belize Police Department. This reform will start at the very top and permeate throughout all ranks; it will include better training, better administration and better resources. We are therefore optimistic about better results.

There is one other issue facing us in 2019, which some people see as a challenge. I am talking about the national referendum on whether to go to the ICJ. The objective of this would be to end any questioning of our sovereignty; to obtain a legally binding reaffirmation of the sanctity of our known, long established borders and territorial integrity.

My own 'yes' position is based on my conviction, or rather my certainty, that Belize would comprehensively win and Guatemala would comprehensively lose at the ICJ. Those who talk about litigation risk need to be reassured that the ICJ is obliged, in its decisions, to keep sovereign countries intact. The ICJ is thus completely bound by international law and its rigidly applied self-determination principles. And those principles uphold absolutely

Belize's right to live in peace within its 1859 borders. Those principles further make clear that there cannot be even the slightest variation from those boundaries.

I therefore appeal to Belizeans to fear not and to proceed with absolute assurance to the April 10 referendum polls. This is the most important national decision we will make for generations to come. And whichever way it goes it will be a supreme reflection of Belizean maturity, Belizean democracy, Belizean wisdom. These three, maturity, democracy, wisdom are the constants of our country. And it is these constants that will make the Referendum result, whatever it is, ultimately acceptable to all Belizeans. For it is they, these constants, that allow us to face all our issues with the sure and certain knowledge that in 2019 and beyond, Belizean strength, Belizean exceptionalism and Belizean unity will always prevail.

Happy New Year, then, to everyone. And may God continue to bless our native land!