



NATIONWIDE

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GOVERNMENT PUMPS \$\$\$ INTO ST. MARY'S COLLEGE

MORE INVESTMENT IN SECONDARY EDUCATION



Archbishop Kelvin Felix

The Government of Saint Lucia has come to the aid of the management of St. Mary's College which is indebted to the contractor engaged in a major extension of the school.

A statement was issued by the office of the Archdiocese of Castries earlier this month. It read "In an effort to dispel any misconceptions associated with the outstanding indebtedness of St. Mary's College to the contractor, Jamecob's Quality Construction Company Ltd., relative to the St. Mary's College Extension Project, it has become necessary to state the following:

1.St. Mary's College is a Catholic Secondary School owned by the Archdiocese of Castries. In 2000, the Board

of Management with the authority of the Archdiocese, entered into contractual arrangements with the construction company to build an extension to the College at a cost of EC\$1.245 million approximately.

2.Due to unforeseen circumstances, it became urgent for the College to incur necessary costs in excess of the contracted amount.

3.The College and the Archdiocese wish to make it abundantly clear that the College and not the Government of Saint Lucia which entered into contractual arrangements with the contractor, and consequently the indebtedness to the contractor is the responsibility of the College and not the Government.

4.The Government of Saint Lucia at the request of the College and the Archdiocese agreed to meet the amount indebted to the contractor.

5.The College and the Archdiocese are indeed very grateful to the Government of Saint Lucia for having come to their assistance and wish to thank the Government for its generosity and kindness. It is the view of the College Authorities that this kind gesture by Government will contribute to the greater good of the students of the College and of secondary education generally".

Earlier this year Minister for Education Human Resource Development Youth and Sport Hon. Mario Michel announced that the Government of Saint Lucia made available EC\$2 million in the 2005-2006 financial year towards expansion and upgrading of St. Mary's College. The

Minister added "Since assuming office in 1997, Government has disbursed \$800,000.00 as part of a commitment to provide matching funds for refurbishing and expansion of Saint Mary's College. This included EC\$538,798.00 in 1998/1999; EC\$200,000.00 in 2002/2003 and a further EC\$50,000.00 in 2003/2004. This was in keeping with a commitment by Government to provide at least EC\$1 million to match the amount raised by the College from public fund-raising activities"

Hon. Michel presented these details during his contribution to the Parliamentary debate on the estimates of revenue and expenditure 2005/2006.

PRIME MINISTER'S NEW YEAR ADDRESS JANUARY 16

The Office of the Prime Minister has announced that a date has been set for the Prime Minister's New Year Address. The New Year Address, which is always delivered in the second week of each new year, is in the final stages of preparation.

In his 2005 address, the Prime Minister updated the nation on developments in 2004 and outlined, among other things, what would be the government's priorities for the year 2005. This year the Prime Minister is expected to report on the achievements of the Government of Saint Lucia during the year just ended and about the Government's priorities for the year 2006.

The Prime Minister's 2006 New Year address will be broadcast on Radio St. Lucia and the National Television Network (NTN), and other local stations on the evening of Monday, January 16, 2006.



St. Mary's College one of the oldest secondary schools in Saint Lucia



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SAINT LUCIA ON A GROWTH PATH

NEC REPORT ONLINE

Prim Minister and Minister for Finance and Economic Affairs Hon. Dr. Kenny Anthony has applauded the efforts of the members of National Economic Council, during its three year stint. The Council which was headed by Saint Lucian accountant Richard Peterkin was dissolved last year giving way to the soon to be inaugurated National Social and Economic Council. The Prime Minister says Saint Lucia is perhaps the only country which has actually produced a definitive outcome following the decision by OECS governments to initiate bodies similar to the NEC.

The Prime Minister assured that the report will not be shelved but will be translated into actual policy proposals. He has challenged the incoming NSEC to generate public debate on the document. "It is pointless to create such a remarkable document yet somehow the society is not give the opportunity of engaging in that discussion in a responsible way."

In his introduction to the report, chairman Richard Peterkin noted that "It was the view of the NEC that Saint Lucians desire to live in an ethical and just society where there is opportunity for self-development and the achievement of an acceptable standard of living."

He added that "In the face of these realities, the NEC undertook its mandate with a clear understanding of the importance and urgency with which Saint Lucia must confront the current economic challenges and determine for itself a discernable and sustainable growth path for the medium to long term. It is the Council's view that vision for the future of Saint Lucia is best articulated by the people of the country. Consequently, very early in the process of consultation we were able to arrive at consensus on a shared national vision."

The National Economic Council (NEC) was established by Cabinet Conclusion No. 63 of 2002 and was inaugurated on September 13, 2002 with a broad mandate to consult with social partners and to recommend to Government through the Honourable Prime Minister such policies and initiatives as would accelerate the economic advancement of St. Lucia.

Mr. Peterkin added "The NEC was inaugurated in a climate of unsatisfactory economic performance associated with considerable uncertainty in the global economy and grave concerns about the growing geopolitical tensions in many parts of the world, most alarmingly the conflict between the USA and Iraq. Although those particular concerns now seem less ominous to our economic welfare, there remains an urgent need to generate a resurgence of economic growth and to accelerate the pace of development in order to cater to the growing needs and aspirations of the population."

Among the primary objectives proposed for the attainment of sustainable output and export growth are: Increased Domestic production, Employment Maximisation, Poverty Reduction, Crime Abatement and Productivity Enhancement.

The chairman added "It is our view that in the present dynamic economic environment nothing less than an integrated development planning approach will produce the desired results. Such an approach is mandated by the comprehensive scope of economic and social parameters required to produce the desired changes. It is also essential for ensuring effective distribution of development benefits among the population."

The entire report is available on the Government of Saint Lucian website www.stlucia.gov.lc. Nationwide presents some of the critical sections of the report.

1. Private Sector Development

"Growth and development are driven as much by Government action as by private sector response to commercial opportunities that government policy serves to create.

In the current international economic context both large and small businesses need to restructure and become more aggressive about their own futures if they are to successfully contend in the fierce international competitive environment. A process of re-education would serve consumers and entrepreneurs alike to assist them in acquiring the aggressive perspective towards excellence and productivity that are essential for success.

Joint venturing, equity pooling and other alternatives to traditional debt financing need to be adopted as part of the growth strategy and business must become adept in the employment of those mechanisms. To the extent that development strategies in the other primary economic areas stimulate and or strengthen private sector development there would be direct positive impact on the overall development goals and international competitiveness.

In an evolving international trade environment characterized by rapidly expanding trade in services and rigidly standardized goods trade, international competitiveness is increasingly determined by the quality of the national trade support network (i.e. broader 'in-business' support services) and production efficiencies. The latter hinges on supply side concerns such as; technological innovation, productivity enhancement and cost of factor inputs, utilities etc.

It must be noted that there will be occasions where investment opportunities will materialize, which our private companies will not have the capacity to engage. Government will therefore be required to support such initiatives, albeit on condition that precautions as recommended by the NEC are maintained.

2. Productivity Enhancement

The objective of increasing the rate of economic growth implies the expansion in the quantity and quality of the goods and services produced by domestic economic agents. Unfortunately entrenched in the social and cultural norms of the country, are many practices and attitudes that impede maximum efficiency and productivity in a commercial production setting.



Mr. Richard Peterkin - NEC

These practices and attitudes have persisted throughout the centuries and today pose a severe threat to the economic survival of the nation.

Some of the more obvious reflections of these negative practices are observed in the general poor output and service quality in the major economic sectors, the limited daily hours worked in some sectors such as agriculture, and the disproportional wage rates among different sectors for comparable work. Clearly potential benefits of the available development opportunities and the current capacity for undertaking these development pursuits cannot be harnessed unless there is a profound adjustment in work ethics and output. Essentially any measure that is introduced in the primary economic areas that results in increased productivity will automatically impact the national development goals and should produce a positive demonstration effect in other economic areas.

The NEC holds strong to the opinion that the quality of the education imparted to individuals during the formative years within the formal education system is of primary importance and determines their productivity or usefulness in the advancement of the country's goals. The same argument applies in terms of people's attitudes towards law and order so that education is seen as a critical vehicle for moving towards abatement of crime in the future. The NEC is convinced that education reform must consequently be viewed as an essential component of productivity enhancement and public sector reform (the later is expounded upon in sub-section 3 below). In this regard the education system must be refocused to achieve the following objectives: ensure that individuals are knowledgeable about the country's development goals and that they have the requisite skills to effectively participate in the development process; perpetuate sound social values (that are reinforced at all levels of the system).

3. Public Sector Reform

In the small island state economy "big government" cannot be avoided. However it is of paramount importance that the definition of "big" in this context be well understood in order to avoid economic disaster. Governments are expected to be "big" in terms of their influence on the economy both as a primary producer, consumer and facilitator of the development efforts of other economic agents. The Government's roles in those areas are indeed the tripod upon which the economy rests. The private sector may well be the engine of growth but the public sector is most definitely the fuel that makes the engine go. We may well extend the analogy to say that the pace at which the engine goes may be a reflection of the quality of the fuel that is injected.

When the public sector is not producing at efficiency levels not only does the

government fail to provide the necessary stimulus for economic growth and development, but it also serves to frustrate the efforts of other economic entities.

There is a continuing outcry for reform of the public sector and the ongoing response programme leaves much to be desired. The Public Sector reform programme has been so long in train that there is now little confidence that it can deliver any relevant change. There is the real fear that change has so overtaken the reform process that it may itself now require revamping.

Undoubtedly, meaningful reform of the public sector will impact the development process across the board and given the current state of public affairs this constitutes an essential criterion for economic advancement. Consequently, the Public Sector Reform Process must seek to achieve targeted objectives that in turn conform to the national development vision and goals; specifically increasing productivity and output. Critical aspects of the reformation of the public sector should include the following:

Improving the performance of the Law enforcement agencies to effect tangible results in the abatement of crime and thereby ensure an attractive investment climate and adequately safe environment.

Refocus education system and school curricula to place higher emphasis on social values and inculcate commitment towards national development pursuits.

Improved development administration through greater transparency, accountability and promoting free and open debate on matters of public affairs (i.e. without fear of reprisals). This aspect of the reform finds its relevance in issues of governance, which were often raised during the conduct of the NEC consultations. Strong negative public opinion on governance issues frustrates the development process and as such institutional mechanisms must be created to ensure and indeed to safeguard the public information flow and feedback.

Reform the Teaching Service Commission and Public Service Commission as an integral component of the Public Service Reform Process.

The magnitude of the reforms envisaged in this regard requires that a comprehensive and integrated approach to be adopted. Nevertheless, within the scope of the short-term remedial growth measures being advanced by the NEC, initiatives are included to address pressing public administrative concerns in the specific sector or economic area in which they surface.

In order to advance a comprehensive remedial strategic approach, the Council's recommendations focus on a combination of sector and cross - sector strategies in a number of confirmed priorities areas. The proposed strategic interventions are presented in the ensuing sections of the report in the following systematic approach.

A. Sector Strategies (Tourism; Agriculture; Fisheries; Cultural industries, Manufacturing and ICT) - (i) Focusing the Strategy; (ii) Confirming the priorities.

B. Cross Sector Strategies - (i) Energy Policy; (ii) Human Resource Development; (iii) Monetary and Fiscal Policy; (iv) Law and Order and National security; (v) Export.

Finally, we need to reiterate that the areas addressed in the Short - term Remedial Development Strategies are not exhaustive and the NEC does not purport that these measures are sufficient in themselves for guaranteeing the achievement of the economic growth objective for Saint Lucia. The Council recognizes that indeed the Government has already articulated a Medium Term Development Strategy for the period 2003- 2006, within which a number of development initiatives have been expounded. The Short-term Remedial Development Strategy is intended to address critical gaps or shortcoming in ongoing government policies and programmes. These are measures that the Council believes will sharpen the focus of and enhance results on the country's current development thrust."



Preparing infrastructure for International Trade

‘TERRORISM IS ABHORRENT TO ALL HUMANITY!’



Prime Minister Dr. Kenny Anthony

Prime Minister Anthony addressed the Heads of Government of the Caribbean Community (CARICOM) at the Opening Ceremony of the Second Caricom-Cuba Summit held on December 7 – 8, 2005, in Barbados. The following is the full text of the address.

Three years ago, we convened in the historic and enchanting city of Havana in order to pursue an agenda aimed at the enhancement of the fraternal ties between the Caribbean Community and the Republic of Cuba. The occasion was intended to commemorate the 30th Anniversary of the establishment of diplomatic relations on 8th December, 1972 between the four already independent Commonwealth Caribbean countries of Barbados, Guyana, Jamaica and Trinidad and Tobago, and the Republic of Cuba. The spirit of Errol Barrow, Forbes Burnham, Eric Williams and Michael Manley dwells among us today.

The decision of those countries to establish diplomatic relations with Cuba was not only courageous, but represented an impressive assertion of their recently acquired political independence. It was a decision which served to inspire us all, and in subsequent years, with the attainment of political independence, the remaining members of what now constitutes the Caribbean Community were inspired to act in like fashion.

Ladies and Gentlemen, when we convened in Havana three years ago, the Caribbean Community sent a clear and unambiguous statement to the rest of the world, that Cuba, by virtue of geography and history, was an integral part of the Caribbean family, and would not be treated otherwise. We asserted the view that Cuba was also an integral part of the hemispheric community, and we remained convinced that

efforts at its isolation were not only unjust but counter-productive. We continue to offer our view that effective resolution of conflict and difficulty can only come from constructive engagement.

The Caricom-Cuba relationship is one which has attained a significant level of maturity over its relatively short history. Like all dynamic relationships, it has had its periods of stress and strain, but these have been few. But it has also recorded significant and defining successes. It is a model relationship which speaks volumes of the appropriateness and remarkable potential of South – South co-operation as a vehicle for development.

It is a balanced relationship, fashioned by geography and history, rooted in a shared Caribbean identity, and guided by the principles of equality, respect for each other’s sovereignty and territorial integrity, non-interference in each other’s domestic affairs, and solidarity. Cuba has been a loyal, committed, and principled friend of our Community.

The Caricom-Cuba relationship boasts a very substantial portfolio of development co-operation, covering, inter alia, education, health, sports, culture and trade. The member states of the Community have benefited tremendously over the years from educational opportunities which have been made available to their citizens, in fields covering a very wide range of academic disciplines. Cuba’s assistance in this area has eclipsed by far the total assistance made available to the Caribbean Community by our richest development partners combined.

The country’s performance in respect of assistance in the health field is outstanding and unmatched. Over the years, hundreds of Cuban doctors and other medical professionals have been placed at the disposal of member states in various areas of specialization. Some countries will soon become self sufficient in medical personnel, thanks to the generosity of the Cuban people and Government. Cuba has never asked for anything in return. This, ladies and gentlemen is the essence of friendship.

The last few months have witnessed a dramatic upsurge in the level of health care assistance made available to some member states with the implementation by Cuba of its “Mission Milagro”, or Miracle Mission. Under this programme, thousands of Caricom nationals who are experiencing impaired vision are being transported to Cuba for treatment, together with a companion, with all costs being met by Cuba and Venezuela. As can be expected, this programme has had significant impact on our societies. It has brought untold relief to thousands, to the poor, the dispossessed, and even to others of comfortable means. Cuba has won the admiration, respect and affection of all.

For its part, the Caribbean Community has been providing active and valuable support to Cuba in the various international fora where its interests are being debated. Our Community has been consistent over the years in our call for the removal of the long standing economic, commercial and financial embargo which has caused untold pain and suffering to the people of Cuba. It is an embargo that is not only inhumane, but also blatantly inconsistent with international trading norms.

Today we convene in Bridgetown in pursuance of our decision taken in Havana, to meet every three years at Heads of State and Government level on December 8th, the date which we agreed to observe as Caricon-Cuba Day.

We will review the status of our relations and work toward their improvement. Indeed our officials and Ministers have been working assiduously in preparation for this meeting, and have been engaged in the crafting of an agreement for our consideration in the field of cultural cooperation. In keeping with our conviction that the human person must be at the centre of our development efforts, we have selected the theme of “Human Development” for this, our second summit. Accordingly we will be focusing on the development of strategies



Cuban President Fidel Castro

for human development in the Caribbean in our deliberations. It is my expectation that we will be paying special attention to some of the troubling issues such as our role and effectiveness in international economic relations, particularly international trade negotiations, the HIV/AIDS pandemic, the Millennium Development Goals (MDG’s) and their attainment, sustainable development, and the vulnerability of Small Island Developing States, etc.

We will also be taking the time to pay special tribute to those of our citizens, 73 in total, who lost their lives as a result of the bombing of a Cubana Airlines aircraft in mid-flight off the coast of Barbados on 6th October, 1976. This most horrific act of terrorism remains forever etched in our minds. We owe it to the families of those who died to remember them, in pain, in sorrow, and in martyrdom, and to continue our call for the perpetrators to be denied protection and sanctuary, and be brought to justice. No country should offer comfort to terrorism. As we have asserted in our Declaration, “Terrorism is abhorrent to all humanity. It is a threat to peace, the establishment and maintenance of a secure environment, and diverts scarce resources away from development efforts. It is a despicable act of violence against the person,

and impedes human development.” Ladies and gentlemen, we the Heads of State and Government of the Caribbean Community look forward with great eagerness to our engagement with our dear friend President Fidel Castro. He is among friends. We look forward to his incisiveness, perceptiveness, sharp wit and encyclopaedic mind. We are more than confident of a successful outcome to this, our Second Summit.

ABANDON COLD WAR THINKING PM TO UWP LEADER

Prime Minister Dr Kenny D. Anthony has expressed concern over negative statements about Cuba by the Leader of the United Workers Party (UWP) and is calling on the opposition party to clarify its position on Saint Lucia’s relations with Cuba.

In a recent statement, Sir John Compton said the deepening of relations among Cuba, Venezuela and Caricom member-states could upset the United States of America and result in negative consequences for the governments and people of the region. But Prime Minister Anthony says Sir John’s statements are “entirely out of order.”

Said the Prime Minister: “I am exceedingly concerned about the critical and unflattering statements about Cuba and Venezuela made by the UWP Leader.” He said it was “imperative that Sir John clarify the UWP’s position, particularly regarding Saint Lucia’s relations with the Government and people of Cuba.”

The Prime Minister noted that Cuba has trained scores of Saint Lucians over the past 27 years and continues to give much assistance to the island, particularly in the areas of health and education. He pointed out that “at present, there are 231 St. Lucian students in Cuba, studying various subjects that will prepare them to contribute to their country’s development.” Of these, the PM added, “15 are studying Civil Engineering, while 52 are studying Medicine, including dentistry.”

The Prime Minister noted that in the area of health care, Cuba’s Miracle Eye Care Programme was one which has benefited hundreds of Saint Lucians. He pointed out that “up to December 31, 2005 a total of 8,887 St. Lucians had been examined here by Cuban doctors.” Of these, he added, “approximately 1,000 persons have travelled to Cuba, where 932 surgical operations were carried out, while another 1,000 are awaiting their turn to go to Cuba for surgery.” “In many of these cases,” he said, “surgery was done on both eyes.”

According to the Prime Minister: “Cuba has always respected Saint Lucia’s sovereignty and has never interfered in our domestic affairs.” He said the UWP Leader’s position on Cuba was therefore “not only unflattering, but reeks of Cold War behaviour, for which successive UWP governments, under Sir John Compton, were well known.”

The Prime Minister said: “In light of the fact that St. Lucia and Saint Lucians have benefited so much from Cuba, the UWP Leader must say, in clear and unambiguous terms, what is his party’s position regarding St. Lucia’s relations with Cuba.” Dr Anthony, who is also Chairman of the Caribbean Community (Caricom), said Sir John’s statements “also fly in the face of the reality that Cuba is also assisting other member-states of Caricom through technical assistance and cooperation in the fields of education, health, housing and construction.”



The Prime Minister during an official visit to Cuba

KEYNOTE ADDRESS BY HON. PHILIP J. PIERRE, MINISTER FOR COMMERCE, TOURISM, INVESTMENT & CONSUMER AFFAIRS OF SAINT LUCIA
AT THE 29TH MIAMI CONFERENCE ON THE CARIBBEAN BASIN
DECEMBER 5-7, 2005. INTER CONTINENTAL HOTEL, MIAMI, FLORIDA

Let me first of all apologize for the Hon. Prime Minister, Dr Kenny D. Anthony, who is unable to be here due to urgent unscheduled regional events.

The Hon. Prime Minister was very pleased to be invited and intended to be here to speak on your theme: "A Prosperous Third Border". I wish to congratulate the organizers of this conference, the Caribbean Central American Action (CCAA), for their tireless efforts in ensuring that the small economies of the Caribbean and Central America have a forum for articulation by Caribbean Leaders from the public sector, the business community and civil society on the issues affecting the region and its economic prospects.

Context of Address

Mr. Chairman, we live at a time characterized by globalisation and trade liberalization. A time when the very systems and rules of international trade that were advanced by the developed world to facilitate the growth and development of small former colonies are being rewritten to facilitate the further advancement of the developed world. It is a time when new questions are being asked of the relationship between size and development.

It can be argued that small economies have both advantages and disadvantages, in particular, disadvantages associated with limited economies of scale, less scope for diversification and macroeconomic autonomy. In addition, since the 1980s it has increasingly been shown that trade among asymmetric countries has led to an increase in income gaps as technological advantages have not been evenly distributed between larger and smaller countries and polarization has become the rule rather than the exception.

Further, one of the critical factors identified as the cause for the continued imbalance in the pace of development

between the larger and more prosperous economies and small states as exists in Central America and the Caribbean has been scale economies, both internal and external to firms. Thus, to the extent that small size implies that economies of scale cannot be attained, higher production costs and unfavourable competitive positions have resulted. This is one of the objective structural realities that confront small states and one that we have been consistently endeavouring to bring to the understanding of our global partners.

Mr. Chairman, the research shows that while very small developing economies such as those in the Eastern Caribbean with populations of less than 300,000 inhabitants have the tendency to be able to grow rapidly with exports of one or two key commodities or services, this invariably leads to a situation of extreme vulnerability. This vulnerability is further compounded as their domestic markets are too small to reap the benefits of economies of scale or provide a viable alternative market for their output. It is countries such as these in the Caribbean that are most vulnerable to the challenges of globalisation and run the risk of being caught in a development trap.

At the multilateral level, despite what appeared to be very encouraging developments in the Doha round in 2001, small economies have experienced nothing more than stumbling blocks in their efforts to maintain a continuing presence in their traditional markets in Developed Countries, with increasing technical barriers that limit their capacity to respond due to the substantial costs necessary to make the required adjustments, which are immediate. The United States Patriot Act and the new EU SPS rules requiring only fumigated pallets to enter U.S. ports are but only two major Technical Barriers to Trade (TBTs). The latter, while sounding insignificant, are among others which have further mitigated against our trading capacity. In addition to this we



Hon. Philip J. Pierre

must contend with modifications to existing treaties which serve to effectively shut out our products. The United States modification to the Caribbean Basin Initiative (CBI) permitting only garments made from US textiles to enter duty free into their market has had a disastrous effect on our garment industry.

The Caribbean is therefore caught at a juncture where these small countries with extremely limited resources and small markets are being asked to compete under conditions of full competition with the larger more developed countries; countries with huge domestic markets and capacity to reap both internal and external economies and able to export to the smaller countries under more competitive terms. It is in this context that we are being asked to become a "Prosperous Third Border".

Growth Performance in the Caribbean

Mr. Chairman, a review by the World Bank of the growth performance of the Caribbean over the last four decades reveals a mixed performance. The Caribbean as a region has grown at a rate faster than Latin America but not as fast as East Asia. And while the decade of the 80s has been considered a lost decade for Latin America, this has not been the case for the Caribbean not withstanding the

relative good performance of the Caribbean, there has been a declining trend of growth in the Caribbean since the 1970s. Over that period, the engine of growth has shifted from agriculture to services. But the expansion of the services sector has not seen expansion in industry or agriculture with the latter losing more ground over the last two decades. Tourism accounts for the largest share of the services sector and in St. Lucia is the largest foreign exchange earner. There has been rapid growth in local tourism entrepreneurship as evidenced by the development of a local hotel chain, viz Sunswep Resorts, owning and managing several hotels in St. Lucia and the OECS.

Expected linkages between tourism and agriculture have not seen substantial growth or increased direct investment in agriculture, however in CARICOM there has been some growth and investment in the tourism infrastructure and a number of world class hotel names have developed, e.g. Sandals Group, Almond Resorts and Super Clubs. They own properties in several islands and there has been some level of vertical integration in



Tourism officials welcome additional flights into Saint Lucia

the Industry. The shift to services based economies has, in the main, helped cushion the fallout from the changes in the rules of international trade for agricultural trading products such as bananas, rum and sugar, structural rigidities within the economies of the small states in the region have meant that the transition within these economies have been slow and sometimes painful. Increased levels of crime, the emergence of a drug trade and unacceptable levels of poverty in some countries have become new challenges for the region. However, CARICOM as a region has maintained a high level of democracy and good governance. There are also challenges to the tourism industry viz airlift competition from supplier markets and limited marketing funds.

Small Economies Response

Restructuring Internally - Given the challenges and constraints that small size imposes and awareness of the demands of a globalized world, the Caribbean Community has moved ahead to further deepen their relationship in establishing the CARICOM Single Market and Economy (CSME).

Mr. Chairman, the CSME is the Caribbean's response to the imperatives of a world focused on the removal of all trade preferences that have over the decades, served as the basis for the participation of small states in the Caribbean in international trade. In fact, one would note

that the countries of the Caribbean are among the most open economies in the world. Therefore for us in the Caribbean, the issue is not our willingness to participate in international trade, but rather the capacity of our private sector to compete under conditions devoid of preferences.

In an effort therefore to get our productive sectors engaged in the conduct of business under conditions of full competition, the CSME will lead to the removal of all barriers to the free flow of all factors of production within the common market area. This should set the basis for a more efficient allocation of resources and increased levels of output and productivity.

As a consequence, the Caribbean area should register an expansion in intra-regional trade thereby reducing its vulnerability to external shocks in the markets of its current major trading partners. The CSME will also serve as the vehicle to present to the international community, a unified region with a market of over six million people and hence a region with the potential to attract market seeking foreign direct investment (FDI). The CSME will position the region as a

work continues on the establishment of the Single Economy which is targeted for full implementation by 2008. With its completion, the small economies of the Region will be one step closer to completing the reform process vital to ensuring their sustained participation in the new world economy.

Regional Trade Policies and Initiatives

As a further response to the imperatives that face the Caribbean Region, CARICOM has entered into a number of bilateral trade agreements with key countries within the Caribbean Basin aimed at strengthening economic ties and bolstering trade activity within the Region. These one-way free trade agreements are also meant to signal to the international business community the CSME's readiness to take advantage of its geographical location, its highly trained workforce and stable and predictable economic and political environment to serve as a focal point; bridging the gap between the rest of the world and the partner countries within Latin and Central America.

Mr. Chairman, the small economies of the Caribbean have also been following and participating in the discussions with respect to the formation of the Free Trade Area of the Americas (FTAA). We recognise that the negotiations have lost some momentum but we remain poised to play our role in the eventual formation of this hemispheric trade agreement meant to increase economic activity within the Region.

CARICOM is currently engaged in negotiations with its most significant donor partner, the European Union, in crafting an economic partnership agreement as a successor to the Lome/Cotonou system. This is a very critical negotiation for us and we have identified that at the core of the agreement must be, the understanding that the new arrangements must meet the broad objective of enhancing the regional integration process. We will be seeking an agreement which will have enshrined in it a set of principles, schemes and programmes, that will help provide special resources for the construction of a CARICOM Single Market, and more importantly, a Single Economy that will be integrally a part of the new EPA economic arrangements. The purpose of this is to ensure that resources are available to assist in the structural transformation of our economies to compete in the new liberalized environment.

Mr. Chairman, at the multilateral level, the small island economies of the Caribbean Basin are fully engaged in the Doha



Caricom Heads preparing for CSME

Round of negotiations and have made commitments, especially in the services sector, which clearly indicate our intention to continue along the path of progressive liberalization as is contained in the GATS Agreement. We recognise that for liberalization to fully achieve its objectives there must be the accompanying regulatory framework. Against this background therefore, CARICOM will not be interested in accelerating the pace of liberalization of our services sectors unless adequate analysis of the impact of liberalization is done and the required legislative arrangements are in place. We therefore hope that balance and good judgement prevails during the upcoming Hong Kong Ministerial Meeting.

Increasing Competitiveness and Competing in a Liberalize Global Market

The efforts of the small economies of the Caribbean to continue meaningful participation in the global economy and achieve the universal goal of improved standards of living for their peoples should therefore be clear to all. As part of a programme aimed at increasing the level of competitiveness of the workforce, Saint Lucia for example, will achieve the goal of providing universal secondary education by the start of the next academic year in 2006. While we recognise that the relationship between skills and competitiveness is long-term, we believe that improving the relevance of our education is central to developing competitiveness over the medium-to-long term.

We will however continue our short-term training and retooling programmes for the existing labour force geared towards meeting immediate demand, however Saint Lucia and the CARICOM re-

gion have embarked on a programme of skills development and creating a learning workforce as our strategy towards maintaining our competitiveness in the current environment.

Conclusion

Mr. Chairman, the importance of international trade and growing interconnectedness of the global economy signal to small economies the need to examine closely the strategies that must be developed to ensure their survival. Within the CARICOM region we must first of all maintain macroeconomic stability. This implies sound fiscal systems that provide resources for the public sector to do its job, deepening of our financial markets, developing a responsive set on monetary policy and financial arrangements to meet the needs of CARICOM members and developing the capacity and competitiveness of a labour force free to move within the common market.

The Governments of CARICOM recognise that in small economies a competitive group of small firms cannot be expected to emerge spontaneously because of the lack of adequate externalities and the learning process involved. In addition, it is also recognised that structural transformation is not an automatic result of macroeconomic stability and open trade and investment rules. Appropriate policy interventions are required to stimulate change and forge alliances between firms thereby strengthening their capacity to be competitive.

We must also find like-minded voices, at the UN, UNCTAD, UNESCO, and the WTO to support our interests and ensure that the international community does not forget, that given the vulnerabilities and limited flexibility characteristics of small economies, special and differential treatment as was agreed to in Doha in 2001 must be incorporated into agreements particularly that on Trade in Services and Trade Related Investment Measures. We cannot hope for a change in the attitudes of Multi-national corporations, who in their quest for profit are prepared to alienate traditional allies and in the process destroy small sovereign democracies, who have always upheld the rights of man and the rule of law. But we must remain acutely aware that if we surrender to their whims and fancies, it would be to plunge our hemisphere into another long dark age that will extend well beyond our shores.

I believe there is hope for a prosperous third border, but Mr. Chairman, it will require co-operation from the strong as well as the not so strong in the Caribbean Basin for its eventual realization.

I thank you.



Saint Lucia recorded growth in 2005



Trade Negotiators - Caribbean and Europe

National Strategic Plan For Health

Meeting Children’s Needs

Education and the readiness for learning and the child’s ability to learn and even the child’s success at learning is all dependent on their health.” This the view of Community Paediatrician with the Ministry of Health Dr. Jacqueline Bird.

Dr. Bird says the importance of such relationships are integral to all the major milestones a child is expected to achieve at particular stages. She added the need for added vigilance and support to be provided by parents and caregivers to ensure that health prerequisites are met before children enter the public education system.

“The ministry of health is launching a new national health strategic plan and one of its strengths is this very partnering between different ministries other than the Ministry of health such as education, non-governmental organizations” she said

Early childhood health and related impacts on the learning abilities of children will form an important aspect of the Ministry of Health’s new National Strategic Plan. To this end the Ministry has begun a process of fostering partnerships with several other agencies dealing with child health development issues. Key among its partners is the Ministry of Education, Human Resource Development, Youth and Sports.

Special Needs Assessor with the Ministry of Education Dr. Brigitte Schuling says most importantly parents must recognise prescribed early childhood assessment and immunization schedules as provided on the children’s health cards. She said the health cards form the basis for continued monitoring of childhood learning development.

“ Because it’s critical that we rule out any medical problem that a child



A strategic plan for all children

has that prevents successful learning. For example if a child has a hearing problem and doesn’t hear properly that child is at a disadvantage when it comes to learning, and listening and following in class.” noted Dr. Schuling

The Ministry of Health is reportedly

among a few health institutions in the region to provide standardized assessment of children from birth onwards. Parents and caregivers are being reminded that such services are available free of charge for children at all community health centres.

Big Relief for Sports Organizations

House Amends Income Tax Act

Individual, households, companies, sporting organisations, university graduates and persons trained by the National Skills Development Centre (NSDC) stand to benefit from a series of amendments to the Income Tax Act, which were passed in the House of Assembly on Tuesday.

Sitting for the last time in 2005, the House passed several amendments to the Act.

The amendments were introduced by the Prime Minister, who said they were being proposed in an effort to encourage private sector investments in persons, organisations, clubs, sporting activities and sporting facilities, and to benefit house owners who invest in solar power.

The Bill authorises tax deductions for companies that invest in sporting organisations and sporting facilities. It also encourages businesses to employ NSDC graduates in return for a 25% deduction on the salaries paid to such individuals, thus making it an overall 125% deduction.

The amendments, the Prime Minister said, “will help build synergies between the private sector and the NSDC.”

Another amendment sought to encourage households to invest in solar energy.

It specifically allows for persons purchasing solar water heaters costing up to \$6,000 to claim a tax deduction for that amount when filing their income tax returns. (This tax break was originally announced in the Prime Minister’s last Budget Address and has now been given legal effect.)

The Finance Minister praised the staff at the Inland Revenue Department (IRD), describing them as “hard-working civil servants” who were normally criticised, but who he said were working diligently to ensure taxes were collected in accordance to the law.

He recalled that the Labour administration’s approach to taxation since 1997 had always been one of releasing significant numbers of persons from the tax net.

In this regard, the PM reminded his colleagues that under the previous administration, the tax thresh-hold was \$10,000. But, the current Government has in eight years increased the figure to \$16,000. As a result, several thousand persons were removed from the tax net.

The amendments received wide support from other MPs at the sitting.

Tourism, Commerce, Investment and Consumer Affairs Minister Philip



NIC - Temporary meeting place for the House of Assembly

J. Pierre encouraged the hotels to seize the time and make use of the new “win-win” situation to hire more university and NSDC graduates and also earn tax breaks.

The Minister, who is also MP for Castries East, also took the opportunity to call on the businesses to assist in the construction of a proposed Pavee sporting facility.

Education, Human Resource Development, Youth and Sports Minister Mario Michel said he was “not satisfied” with the level of support extended to the sporting fraternity by the business community.

He said the local private sector is “lagging behind” other countries of the region in this regard. Noting that the amendments proposed both “support sports and encourage support for sports”, he urged the private sector to “be even more generous” in their support for and sponsorship of sports.

Mr Michel also described the link between the business community and the NSDC, as foreseen in the law, as “a useful bit of social engineering.”

Agriculture, Fisheries and Forestry Minister, Ignatius Jean, said he supported the new amendments because they would benefit several groups of persons at the same time.

He welcomed what he described as “a tangible way of encouraging the businesses community to support sports, as the island becomes more of a venue for sports tourism.”

The minister said he was “pleased that the new amendments define what constitutes a sports club” and that they also “outline its formal structure, thus tightening up on requirements and organisational accountability.”

Mr Jean embraced the solar water heater initiative, saying he had personally invested in one and it worked well and saved much. He therefore encouraged St. Lucians to do likewise.

Opposition Leader Marcus Nicolas said he supported the intent of the amendments, but he was concerned that the proposal to afford tax breaks to businesses employing local university graduates, if implemented, would be ultra vires to the spirit of the Caricom Single Market and Economy (CSME), since it only applied to St. Lucians.

He said if companies would not qualify for the same tax breaks if they hired university graduates who were non-nationals, there could be reprisals by way of retaliatory action by other countries.

The Prime Minister indicated his agreement with the sentiment and fear expressed by the Opposition Leader and the amendment was further amended to allow for the incentives to apply equally, no matter the nationality of the graduate.

Meanwhile, there was some historicity in the last sitting, as it was the first time in living memory that a meeting of the House of Assembly has taken place outside the Parliament Building in Castries.

The building itself is under renovation and the change of venue had to be authorised by the Governor General.



Tax break for contributors to local sports

24 SECONDARY SCHOOLS BY YEAR END

The hundreds of primary school students preparing to write the 2006 Common Entrance Examination will become the first group of students to benefit from the direct impact of Universal Secondary Education. This will be the direct result of the reform of the local 35 year-old Common Entrance Examinations

Reports from the Ministry of Education, Human Resources Development, Youth ad Sports, indicate that the Examinations will be reformed in several areas, including a new distinct feature where 100 percent of students are already guaranteed secondary school placement. This represents a sharp increase over previous years when less than half the number of common entrance students would move on to secondary schools.

Minister for Education, Human Resources Development, Youth ad Sports,Honourable Mario Michel says this governmental mandate undertaken in 1997 is in its final stages of coming into fruition. As a result he says some changes to the process of assigning primary school students will include an increase of secondary school choices from seven to nine.

He said “The position is that Universal Secondary Education will be achieved next year on the basis that every child taking the common Entrance

next year will be offered a place in one of 24 secondary schools in St. Lucia. The Common Entrance will still be done next year and a reformed version of it will remain in place after next year, to determine not whether a child goes to secondary school or not but which secondary school a child will attend.”

The Minister was at the time attending the ground breaking ceremony for the Gros Islet Secondary School in December, following the official sod turning for the construction of the Anse La Raye Secondary School also took place earlier that month. .

“A final part or final piece if you like in the move towards universal secondary education is the construction of the completely new two secondary schools, one at Gros Islet and the other right there at Marigot. Anse La Raye Primary Schools, the Millet Primary Schools, the Roseau Primary Schools, are intended to be three of the main feeder schools for the this secondary school in addition of course to the La Croix Maingot Primary School and the Odsan Primary School.”

The construction of the two secondary schools is being financed by the World Bank and the Government of St. Lucia under the OECS Education Project .

Both of two newest educational institutions will accommodate some 700 students who will have access



Ground breaking for new secondary school

to modern, state of the art amenities. Each project is estimated to cost about \$10 million. Meanwhile Parliamentary Representative for Anse la Raye Canaries Honourable Cyprian Lansiquot says the construction of a school in his community will have a positive socio-economic impact on the constituency, particularly in light of recently increased bus fares.

“Presently we are facing a lot of hardship. In fact a lot of our students have to fall-out of school because

of the distance to which they have to travel to reach a secondary school. For Anse La Raye the nearest secondary school at the moment is in Cul De Sac and for Canaries the nearest one is in Soufriere. And these are long distances and transportation costs are very, very high.” He said.

In addition the Parliamentary Representative commended government for responding expeditiously the outcry of the community for the erecting of secondary schools in the region.

Observers for General Elections in Saint Lucia

Prime Minister Dr Kenny D. Anthony says observers will be invited to monitor the upcoming General Elections in St. Lucia. The Prime Minister says: “The Government is proud of the democratic traditions that have been nurtured, sustained and upheld since 1997, and in this regard, external observers will be invited to monitor the conduct of our next General Elections.”

He said the observers would be invited, “because I would wish St. Lucia to be a good example of international best practice in electoral behaviour and conduct.” He noted that seven General Elections have been held since the island gained Independence in 1979, “but no overseas observers were ever invited to monitor the conduct of those polls.” Prime Minister Anthony said his Government “will ensure that the next general elections are observed by the international community, to confirm that St. Lucia can conduct its electoral affairs without reproach and to reassure its own citizens that it has fully observed democratic norms and practices.”

“This Government”, the Prime Minister says, “will, by its actions, distance itself from the behaviour and practices of its predecessors, and in particular the John Compton administrations, which in the past had denied requests by the St. Lucia Labour Party (SLP), when it was in Opposition, for observers to be invited to monitor the polls.” No date has been set for the next General Elections, which according to the Constitution, must be called by March 2007. It has become customary of late to have observers for General Elections in Caricom member-states, but this has never happened in St. Lucia.

ELECTRICITY SECTOR TO BE REGULATED

The Government has amended the Electricity Supply Act to require greater accountability from the island’s lone electricity company, Lucelec.

The decision was taken in the House of Assembly on Tuesday, as parliamentarians supported amendments to the Electricity Supply Act.

Prime Minister Dr Kenny D. Anthony, who presented the amendments at Tuesday’s sitting, noted that the mechanism in the current Act was weak and did not ensure sufficient authority and regulatory control.

He recalled that a Public Utilities Commission had existed up to the 1980s, but was abolished by the then UWP administration, “who claimed that it was ineffective in terms of ensuring an adequate and reliable supply of power to the country.”

He noted further that the then government had also claimed that the PUC “was focussed largely on approving increases in tariffs, but its procedures resulted in high costs to all concerned, and acrimony between the PUC and the company, at the expense of consumers.”

The Prime Minister explained that, given the inherited weaknesses in the regulatory functions allowed under the Electricity Supply Act, the latest amendments “would in effect result in the creation of a standing body for reviewing and monitoring LUCELEC’s operations and setting standards and targets for its results.”

He said of the new amendment: “This could either be an interim measure pending the establishment of a regional regulatory body like the East-

ern Caribbean Telecommunications Authority (ECTEL) for the OECS, or

it could serve as a model on how to monitor power utilities.”



The lone electricity supplier - LUCELEC

National Consultations HIV/AIDS

The AIDS Action Foundation has spearheaded a series of consultations aimed at evaluating the laws and policies related to HIV and AIDS in St. Lucia. The initiative forms part of a mandate given by CARICOM Heads to the CARICOM Secretariat and the Pan Caribbean Partnership Against HIV/AIDS (PANCAP), to coordinate the regional response to the epidemic.

The initiative commenced Wednesday will seek to obtain from senior managers in the public and private sectors, their views on HIV/AIDS issues in particular those related to stigma and discrimination.

PANCAP has been coordinating development and implementation interventions designed to curtail the spread and impact of HIV/AIDS in the Caribbean. This effort has given birth to a Regional Strategic Framework, which sets out a plan of action to respond to the disease.

The project is being managed by a National Assessment Team which includes the National AIDS Programme Coordinator, the Attorney General’s Chambers and the Ministry of Justice, Chief Medical Officer and representatives of the media, the police, Bordelais Correctional Facility, and vulnerable groups.

TOURISM MINISTER UPBEAT ON INDUSTRY'S PERFORMANCE FOR 2006

Tourism Minister Philip J. Pierre is positive about the outlook for tourism in Saint Lucia for 2006. The Minister predicts that, barring unforeseen circumstances, this year St. Lucia will reach the 300,000 mark for stay-over visitors and hotel occupancy will surpass last year's 68% record. According to the Minister, he also expected this year's earnings to be close to one

billion dollars, also surpassing last year's figure of \$800 million-plus.

He noted that more new hotels are being built, even while existing hotels are expanding. Among the new hotels he identified that opened last year were Coco Palm at Rodney Bay and Coconut Bay in Vieux Fort.

Mr Pierre noted that new up-market rooms and villas are about to come on stream at the Plantation at Cotton Bay

in Gros Islet and Discovery at Marigot Bay, both of which are about to be opened.

In addition, he noted that groundbreaking ceremonies have already taken place for The Landings and Le Paradis at Praslin on the island's East Coast and work has begun on Bay Garden Suites.

Among the existing hotels that are expanding or due for expansion, the

Tourism Minister named Bay Gardens at Rodney Bay, Le Sport Villas at Cap Estate, Cara Suites at La Pansee and Jalousie Plantation in Soufriere. In addition, he said, more new villas were also under way at Cap Estate.

Mr Pierre said that with Cricket World Cup just over a year away, 24 investors have already been given permission and incentives by Cabinet to increase the number of rooms available for the thousands of visitors expected, while the Bed and Breakfast Act was recently passed to allow for persons who wish to expand their homes by between two and five rooms for Cricket World Cup 2007.

The minister also noted that there will be additional airlift capacity in 2006, thanks to new daily flights from Atlanta in the USA by Delta Airlines and the return of Air Jamaica with three weekly direct flights from New York, beginning in February. In addition, he said Virgin Atlantic will also begin flying direct to St. Lucia from Manchester in June 2006.

Mr Pierre also said the island's tourism marketing efforts will continue with the rolling out of new advertising material to be launched at the New York Market next month and other parts of North America and Europe later.



Overlooking cruise ships in the Castries harbour

Government Pays Tribute to Two Postal Service Stalwarts

Government paid tribute Tuesday January 10th, 2006, to two prominent individuals in the field of "Postal Services" for their contribution to the development of the service in Saint Lucia and the region. Stanley Niles, who recently retired as Regional Advisor to the Universal Postal Union (UPU) and retired Post Master General of Saint Lucia Loretta Charlemagne were honoured for their long service, at a ceremony at the Prime Minister's Official Residence in Vigie.

Stanley Niles who has a career which spans decades, has served as Post Master General among several capacities in his native Barbados. His last position of regional Advisor to the UPU brought him closer to life in Saint Lucia having been stationed here for the last 10 years.

"I would hope that the post is given the resources and the support it needs to ensure that it becomes competitive, because if it isn't, it will still become the dinosaur that we talk about - the service will develop around it and the private sector is already shaping to take as much of this as it can get," said Mr. Niles.

Loretta Charlemagne will succeed Mr. Niles as Regional Advisor to the Universal Postal Union. Miss Charlemagne who worked with the Saint Lucia Postal Service for 36 years also served as Secretary General to the Caribbean Postal Union for several years.

"I will be looking at the reform of the modernization of postal infrastructures as well as the development of human resource capabilities to ensure our customers receive the best quality of service that they can afford to get," Miss Charlemagne said.

In paying homage to the two postal service stalwarts Minister with responsibility for Postal Services Honourable Felix Finisterre reiterated government's commitment to ensuring the survival of the postal service in St. Lucia.

"We are taking our own path by way of looking at our postal reform, within the broader context of public sector service reform - it is taking some time but we know because of your assistance Mr. Niles we have the draft framework legislation and the laws are already in place for this to happen," the minister said.

Stanley Niles extended his assistance to the incoming Regional Advisor of the UPU, and was presented by Prime Minister Honourable Dr. Kenny Anthony with a painting created by renowned St. Lucian painter Llewellyn Xavier.

\$18M BACK-PAY FOR PUBLIC SERVANTS

The Government of St. Lucia is preparing to pay approximately \$18 million worth of back-pay to the island's public servants. This is as a consequence of the 10% pay raise recently agreed to between the Government and Public Service Unions.

The Government's negotiating team

and the unions representing Civil Servants, Teachers and other Public Service employees agreed - shortly before Christmas - to a 10% wage increase, to be paid over a three-year period.

According to the agreement, the workers will be paid 3% in the first year, 3% in the second year and 4% in the third year.

The agreement covers the three-year period from April 2004 to March 2007, but the workers will receive the first year's back pay tax free. It is widely expected that the Government will have to engage in cost-cutting measures in order to pay the increase, which is the first double-digit increase to public servants for the past 25 years.



THIS WEEK ON NTN

Sat. Jan. 14th Fri. Jan. 20th ,
2005

NTN - PROVIDING INFORMATION YOU NEED

The GIS highlights the offerings of BELfund to the unemployed
Sat. Jan. 14th 9:15 a.m.

Find out how the National Enrichment Learning Programme - NELP - can assist you
Sun. Jan. 15th , 9:15 a.m.

Learn more about the CSME
- Mon. Jan. 16th 8:30 p.m.

Discover possible careers in Tourism Senior - Tues. Jan. 17th, 8:00 p.m.

The Roads Development Programme - Who does it benefit?
- Wed. Jan. 18th , 6:30 p.m.

The Centre for Adolescent Rehabilitation and Education - What is it and who are its beneficiaries?
- Thurs. Jan. 19th , 8:00 p.m.

Constitutional Reform - Fri. Dec. 16th ,8:00 p.m.

Remember to tune in for:

GIS News Breaks and Kweyol News daily from 6:30 p.m.

Issues & Answers/Mondays at 8:00pm:

Interview/Tuesdays at 6:15pm :

Konsit Kweyol/Tuesdays at 8:00pm (Kweyol Discussion):

Your Right to Know/Thursdays at 6:15 p.m. (Min. of Ed. Prog).

Take 2/Fridays at 6:15pm (Week in Review)

Weflechi/Fridays at 6:40pm - (Week in Review-Kweyol)

For the complete programme guide, log on to our website at www.stlucia.gov.lc and then click on the NTN icon.

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