



Cabinet of the Prime Minister
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The Government of Sint Maarten

6/24/2019

Prime Minister Romeo Marlin delivers address at Governor's Symposiums

CUPECOY, –

**Shaping Sustainable Economic Recovery in the
Caribbean- Challenges and Opportunities**

Message by the Prime Minister of Sint Maarten Hon. Leona Romeo-Marlin

Introduction

Pleasant good afternoon to each and every one present – I adopt the protocol as established. Firstly, I would like to commend His Excellency Governor Eugene Holiday for the organizing of this symposium on the topic - **Shaping Sustainable Economic Recovery in the Caribbean- Challenges and Opportunities**. This subject could not have been a more fitting choice given the current economic challenges we are faced with at this time, as a small island developing state within the Caribbean region.

As I begin this afternoon, I would like you to consider that in the formulation of policies and strategies towards ensuring sustainable economic recovery, one has to be very cognizant or aware of what our challenges really are. Once identified it is only then, can appropriate measures, policies, programs and initiatives be designed to circumvent or mitigate the challenges of our future development. As you know there are many challenges, however I have chosen to briefly comment on a few that I consider to be valuable to our discussions at this symposium.

Before I introduce some of those challenges, it goes without saying that these challenges also produce the fertile ground for new opportunities and innovation. So later in my address, I will also elucidate on some of those possible innovations and opportunities.

Challenges – Climate change

Climate change is no longer a discussion exclusive to scientists, professors and scholars at the top universities and tech companies around the world. As we are gathered here, as a result of the severe impact of the 2017 Hurricane Season, the discussion on climate change has made its way through the halls of Government and its emergency services. Climate change has also touched the hearts and minds of our people in the Caribbean diaspora.

For all of us in this region, as small island developing states that are very “miniscule” in the equation of carbon emissions and other factors that deter normal climate, we have to be cognizant of its impact on our individual economies.

Located in the hurricane belt of the region, confronted with rising sea levels, varying trends of hurricanes, extreme periods of dryness and extreme rainfall are all consequences of global warming and climate change. These occurrences or attributes of global warming or climate change can have negative impact on our economy and society on a whole. For this reason, it would be rather imperative for all of us to be responsible and take the necessary preventative or mitigating measures to curb the negative impact of such occurrences.

These measures may include; the protecting of our environment through proper legislation and its enforcement, proper waste disposal initiatives including recycling and banning of plastics, the protecting of our wetland areas, protection of marine life and the use of more environment friendly products where ever possible, just to name a few.

For the commercial sector, apart from the already mentioned, it will also involve a shift in the way business is conducted and a willingness to adopt innovative methods that contribute to a sustainable environment.

These simple measures ladies and gentlemen, coupled with proper communication of the effectiveness of “going Green initiatives” would definitely ensure some form of economic resilience and sustainability.

Challenges - Dependency Syndrome

Another challenge that we are facing is what I would like to characterize as “Dependency Syndrome”. This is how I categorized or term our heavy and increasing reliance on the external front for economic sustenance. Be it oil and oil products, be it food, be it guests to our island; as in the case of our beautiful island, this heavy reliance has ever so often exposed our vulnerability to external shocks, which can negatively affect our economy and wellbeing. Let us take for example,

1. Any of increase of oil prices on the world market affects the island negatively through increase operating cost for businesses, which is then passed on to the consumer. This in turn reduces consumer’s disposable income through inflation, creating that anxiety and uneasiness in the economy, thereby stifling overall growth and production of the economy.
2. Negative external shocks such as; terrorism, health epidemics, economic recessions and political instability. In the case of terrorism, this can deter persons from traveling to the island, thus crippling the country’s revenues. Outbreak of Health epidemics in our region also affects the revenues and smooth economic operations. As for economic recession and political instability, these can be considered as self-explanatory since they are capable of distorting the economic equilibrium.
3. The ever-increasing cost in the production of food in our main trade market of the US for example, affects us negatively on the domestic front. This increased cost of production is normally passed on or felt by the consumer as an additional burden through reduced disposable income. For the business sector, such situation reduces profits and can eventually lead to unemployment, which are a deterrent to economic growth and development.

The scenarios that I have presented above ladies and gentlemen, serves as prime examples for which we should be cognizant of and hence the need to examine opportunities to mitigate such eventualities.

Opportunities & Innovations

Now, one may ask; how do we curb such challenges and what are the opportunities?

This simply brings to the fore the need for us to thinking on a higher level which involves the thinking of a SMART and Resilient St. Maarten. It also brings to the fore the need to develop and enact legislations that would guide policies, projects, initiatives and programs that are practical,

implementable and realistic for our jurisdiction. Additionally, these measures should not be viewed as a quick fix, but as a sustainable and long-term solution.

As a measure, the time has come for us to be innovative, to exploit and to reap the gains of other productive sectors of our economy which are of essence for us to overcome these challenges; be it the orange economy or the blue economy or whichever sector that exist out there.

As it pertains to the orange economy, one lesson learnt from the passage of Hurricane Irma, is the fact that it destroyed our tourism infrastructure in the blink of an eye, but the skill, talent, culture and way of life of our people remained intact. This culture, talent, skills and way of life are the resource and components of the orange economy. This ladies and gentlemen, once identified, embraced and nurtured in the right manner and not compromising our moral values, can then serve as a complimentary pillar to our economic recovery, resilience and sustainability. *Development through music, sports, science and the arts – The Jamaican sporting and musical icons such as Bob Marley and Usain Bolt are major attractions that enhance the Jamaican tourism product as a destination.*

We can look to our veteran & young and talents such as the Mighty Dow who has a steel pan tour and King Vers who is growing in popularity across the region.

As for the blue economy, this concept seeks to promote economic growth, social inclusion, and the preservation or improvement of livelihoods through the exploration and sustainability of the oceans and coastal areas. In simple form, it just involves the making use of the output of the ocean and coastline around us but it has to be in an environmentally sustainable and structured manner.

Through this blue economy and its diverse components, that includes its established traditional ocean industries such as fisheries, tourism, and maritime transport. Through the introduction of new and emerging activities, such as offshore renewable energy, aquaculture, seabed extractive activities, and marine biotechnology. A number of economic gains can be attained through economic output and job creation once it is explored.

Additionally, there are a number of services provided by ocean ecosystems for which markets do exist and should be explored. A recent example of innovation in this sector, highlights an entrepreneur in St. Lucia has managed to turn the Sargasso seaweed that washes onto to our beaches into fertilizer.

These services would definitely contribute significantly to the economic and other human capacity of our society. These services include; carbon sequestration, (*Carbon dioxide is the most commonly produced greenhouse gas. Carbon sequestration is the process of capturing and storing atmospheric carbon dioxide*). It is one method of reducing the amount of carbon dioxide in the atmosphere with the goal of reducing global climate change, coastal protection and waste disposal. Again, with the application of innovation, technology and the will as a people these attainments are possible and will eventually aid in our economic resilience and sustainability. Furthermore, the use of alternative forms of energy should be considered as a means of economic resilience and sustainability. This will inevitably, reduce our carbon foot print, reduce our import bill and also serve as a cushion to our cost of living. This would definitely improve our socio economic wellbeing. Be it water, sun or wind, the opportunities are there and hence should be considered as a means economic recovery and sustainability.

Ladies and gentlemen, technological advancement is evolving at a very rapid pace and hence as small islands wanting to share a piece of the global pie and be competitive, we ought to keep up with technology. If such is not gravitated to and exploited, it will inevitably affect our economic wellbeing and for such it is rather important that an adoptive approach be applied.

This adoptive approach has to be broad based. Not only in the business environment for commercial purposes but also throughout our educational system. Our people are our greatest asset and hence, we ought to build innovative capacity among our younger generations to match those ever-changing needs. We ought to build capacity among our populace to be on an entrepreneurial level.

We have often heard of teenagers in the US who have developed an app and has sold it for millions. This, is the capacity level we have to nurture amongst the younger generation. I used the word nurture for they are already exposed through the use of the internet and their smart phones. However, institutionalization of this ability has to start now, so in the near future our teenagers will be the ones that the world would be reading about.

We have to find ways in our telecommunications sector to increase not only bandwidth but also access to make such opportunities a reality. In this manner, you can certainly count on economic resilience and sustainability as our people would be the driving force in such a technology driven environment.

As a Government, we remain committed to executing and implementing e-Government throughout the organization. Whether on the frontlines or back offices, the implementation of an improved e-Government strategy can only reap positive results. Most persons can easily envision coming to a Government counter and experiencing a quick and reliable one stop n shop service. In order for those products to be delivered at that single point, the proper systems in our back office network need to be properly integrated with the necessary security protocols in place that guarantee the safe exchange and sharing of data. If executed properly, e-Government will not only transform our individual lives but also improve the ease of doing business on the island.

Finally and but not least, but as a key component is the need for **Good Governance, Accountability and Transparency**. Ladies and Gentlemen, a lack thereof is considered detrimental and a hindrance to any form of development.

In today's global environment the need to exercise good governance, accountability and transparency are key ingredients to the economic wellbeing and sustainability. It has become such an important factor, that one is actually compelled to comply. If such is ignored, your island can be black listed and faced with de-risking possibilities. This ladies and gentlemen, put in its simplest form "No one will do business with us" which will eventually cripple our economy.

Having said that I must say that as a country we are on the right track. We have invested in and are busy developing key institutions such as the Constitutional Court, The High Councils of State and the Integrity Chamber to ensure and uphold the principles of Good Governance, Accountability and Transparency. To add to this individually each of has a role to play and the responsibility in the upkeep of these principles in order to safeguard our country.

Therefore, curbing negative trends, reducing corruption, maintaining a "doing business" good profile, ensuring political stability, good governance and value-based education ought to be gravitated to.

As I conclude, considering that a wealth of knowledge and experience has been shared and gained from our respective guest speakers thus far, I would like to state that it makes me feel quite proud to know that indeed we are heading in the direction.

His Excellency referred specific areas that we should pay attention to such as

Airport and seaport resilience,

Airport Terminal Reconstruction Project of more than 100 million US dollars that will be financed jointly by the Trust Fund and the European Investment Bank.

The goal of this project is to rebuild the airport in a way that the terminal is able to withstand Irma wind speeds and more.

Energy resiliency

An 11 million project with GEBE to increase the resilience of our energy and water supply, including putting remaining electricity lines underground. This project is financed by the Trust Fund, and will be implemented by the NRPB together with GEBE.

Environmental protection

Emergency debris management project and the preparation of a long-term solid waste project. These projects on short-term clean-up activities on the island, suppression the dump fires and finding solutions for the sustainable management of solid waste on our island. These huge projects will be financed by the Trust Fund, and implemented by the NRPB in close cooperation with the Ministry of VROMI.

Communications resilience

Some examples of what is being prepared by the NRPB right now in the area of communications resilience:

Supporting the Fire Department by financing emergency communication equipment and repairing the radios on the building on the airport in a more resilient manner.

The Ministry of General Affairs and the NRPB are also preparing an e-governance project to improve the communication of government, and especially our public services.

Social resilience

There is a lot that we are doing in the area of social resilience with the support of the Trust Fund, let me give two examples:

The Emergency Income Support and Training project with the Training Foundation - not just providing income support, but also enhancing the people's skills through training

Helping people repair their homes in a resilient manner through the home repair program and there is much more.

Additionally after the hurricane, food vouchers were distributed, assistance with roof repairs, psychosocial resilience training, and joint projects with Government with NGO's.

These are all activities that are financed by the Trust Fund and implemented by the NRPB and other key stakeholders to increase the resilience of Sint Maarten.

I am happy to report that this Government, once exposed to the information, immediately joined the CCRIF. Government has also initiated the Disaster Fund in the National Budget and is looking into other insurances & seeking information on blended finances and innovative financing mechanisms.

Once thing the hurricanes has taught us is we cannot do this on our own whether we are Dutch, French or British Caribbean islands

Ladies and gentlemen, I thank you for your presence and I do wish a continued productive and engaging discussion on the future of our economy in a resilient and sustainable manner.

Thank you.

In Photo L-R - Prime Minister Leona Romeo-Marlin at Governor's Symposium