

PRESS STATEMENT
By
Hon. Mia Amor Mottley Q.C. M.P.
Leader of the Opposition

Four weeks ago the Minister of Finance sought to quell a simmering mood of anxiety and discontent in the country by promising a comprehensive State of the Nation address on the economy the progress made on the expenditure measures from the Budget the performance of vital sectors in the period following presentation of the 2013 Budget.

It is now the middle of December, less than 13 days to Christmas and the promised statement has not been forthcoming. Many business enterprises had put all plans on hold, in anticipation of further light being shed on the application of several new tax measures as well as the government's intended response to requests for a reduction in the prohibitive costs of doing business in Barbados.

In the interim also, there has been heightened speculation about the possibility of job cuts in the public service and the consequential impact on spending at Xmas time. There was also anticipation about a re-look at the "no privatization" dictum. A seemingly out of control monthly fall in foreign reserves, coupled with reports of the persistent "printing of money" by the Central Bank and another downgrade of the country's credit rating three weeks ago, have all served to send a clear and unambiguous message that all is not well in the country and that something meaningful needs to be done...and done urgently.

It is for this reason that the BLP Parliamentary Opposition is calling on Prime Minister Freundel Stuart to urgently assume the reigns of true leadership in this country and come now and come clean and clear with the country on the true state of affairs and the specific measures the government intends to take to turn this calamitous situation around. It is clear that all 3 initiatives of the Government to correct the economic downturn failed – the Medium Term Fiscal Strategy, the Revised Medium Term Fiscal Strategy and now the August Budget.

The situation now warrants Prime Ministerial intervention. It will not be enough for a Minister of Finance to come belatedly and read a script prepared by public relations consultants...Too many lives and enterprises are at stake in this country. The time has come for the Prime Minister to start to lead Barbados out of this crisis or it will be left to the people to decide who fills the void at the top that his inertia and inaction has created.

The Barbados Labour Party has reason to believe that something may be said prior to tomorrow afternoon as there will most likely be an attempt to beat the International Monetary Fund Article Four guillotine, which denotes that its report covering the period of its current visit to Barbados would take into consideration and reflect ONLY any measures announced prior to its departure.

There is too much anxiety and uncertainty in the country, for the Minister of Finance to huddle together a few measures merely to satisfy the observation and requirements of external interests and agencies or the international capital markets. Barbadians deserve better! They deserve to be given an

upfront assessment of where the economy is at and a clear strategy for taking the country out of this rot.

Further there must be clarity as to how they will implement whatever they announce as they have failed to follow through on almost everything they have announced to the country – even the timing of this Ministerial Statement.

Finally, I will want to remind the Minister of Finance of the fifteen questions I asked him on November 21, that remain unanswered, but in particular these five.

- Given that the printing of money is not only reckless but will endanger the economic and monetary stability of Barbados especially when we have lost over \$614 million of our foreign reserves since April 1, 2013, will the Minister state how much money has been printed by the Central Bank to purchase Treasury Bills from Government since the beginning of this financial year? Can the Minister confirm that a whopping \$372.9 million in Treasury Bills has been purchased this year by the Central Bank to finance the deficit - a sum that is \$300 million more in Treasury Bill issued by the Bank than last year?
- Will the Minister confirm whether there will be any further printing of money for this financial year and next year?
- Further will the Minister indicate whether he has formally received a Report from the Central Bank pursuant to section 48 of the same Act that the credit limit which the Minister has set for this financial year is

likely to be exceeded or that the country's monetary stability is endangered? If so, does the Minister agree with the proposed measures by the Central Bank to forestall or otherwise remedy the situation? And if not, has the Minister issued a written order for the policies to be adopted by the Central Bank pursuant to section 49 of that Act?

- Is the Minister willing to indicate whether he will agree to urgently amend the Central Bank Act to ensure that there can be no printing of money through the issuance of primary securities by the Central Bank in secret, without the limit being set by Parliament as is done in other Commonwealth countries and as is done in Barbados with the Government Ways and Means, (namely its overdraft) which is set at a maximum of 10% of Government's Estimated Revenue?
- Will the Minister agree that the Governor of the Central Bank must now update the country monthly and not quarterly given the poor state of our economy?

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