



# GRENADA

## A PLAN FOR THE FUTURE

Under the leadership of Prime Minister Keith Mitchell, Grenada's government is uniting the country and developing sound strategies to ensure that the island's economic development is sustainable.

The island nation of Grenada lies north of Venezuela and Trinidad and Tobago and south of the Grenadines archipelago, where the Caribbean meets the Atlantic. Its territory encompasses the main island of Grenada, home to most of the country's 110,000 people, and several other isles, the largest and inhabited ones being Carriacou and Petite Martinique in the Grenadines chain.

Colonized first by the French and, after 1763, by the British for more than 200 years, Grenada gained full independence in 1974. Long one of the world's leading producers of spices, Grenada ranks second worldwide in the nutmeg market, accounting for 20% of global supply, and also exports mace, cinnamon and cloves. Over the last quarter-century it has developed a tourism-based service economy, and it now brands itself as "Pure Grenada: The Spice of the Caribbean."

Grenada is located outside the Caribbean hurricane belt. However, for the first time in almost half a century, the country took direct hits from Hurricanes Ivan and Emily in 2004 and 2005, respectively. Further economic misfortune followed in the wake of the 2008 global financial crisis, leaving the tourism industry—which had staged a remarkable recovery from the hurricane damage—with greater capacity than demand.

Reflecting the island nation's characteristic resilience, both sectors have bounced back to above pre-hurricane figures. "We built back and built better," says Oliver Joseph, minister for economic development, trade, planning, cooperatives and international business.

The National Democratic Congress-led government, which took office in 2008, proved powerless to reverse Grenada's fortunes, and by 2013 the nation was in dire straits, with growth flatlined and public debt spiraling out of control. That February, responding to the New National Party's vision of building a new economy, Grenadians returned the party and its leader, Dr. Keith Mitchell, to power for the fourth time in a landslide victory.

"When we arrived in office, we were dealing with multiple issues we inherited from the previous government," Prime Minister Mitchell recalls. "The economy was in recession. The government was selling assets to pay salaries and meet expenditures, which is unsustainable in any country."

Mitchell's administration quickly set to work creating growth and confidence, fueled by investment in education and information computer technology (ICT). By the close of 2013, the nation was seeing steady growth for the first time in years and Grenadians were realizing that their sacrifices were paying off.

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In June 2015, the government launched the National Plan 2030, a long-term program to extensively develop the “New Economy” with the private sector as the major employer, fulfilling Prime Minister Mitchell’s aim of creating a smaller government and a larger private sector.

In the last two years, the administration has made significant progress, bringing together every sector of Grenadian society to ensure that progress is inclusive. Grenada has slashed its monthly deficit from \$18 million to \$1 million, the national debt shrank by \$400 million, and unemployment rates decreased 25%. GDP figures recovered a positive growth trend in 2013 and reached 4.8% last year.

The IMF recently applauded the country for having made the difficult early decisions that led to long-term fiscal sustainability and laid the groundwork for stronger growth. The agency also noted that the government is on track to deliver its first primary surplus in over a decade.

“For 2015, growth of 3.1% has been predicted,” the prime minister notes, “but we hope to exceed that. The IMF has been very pleased with our policies so far, and we have the backing of our international partners.”

### CITIZENSHIP BY INVESTMENT



Grenada relaunched its Citizenship by Investment (CBI) program in 2013, offering, in exchange for a contribution to the National Transformation Fund or the purchase

of preapproved real estate, a range of benefits that should appeal to what Minister for Implementation Alexandra Otway-Noel calls “global citizens who appreciate what Grenada stands for.”

With applications subject to individual review by the government as part of its “know your client” policy, these benefits include fast-track processing of applications, inclusion of dependent children and parents (up to 25 and over 65 years old), no residency requirements, no taxation on global income, and visa-free travel to over 115 countries worldwide, including the European Union’s Schengen Area, as well as the U.S. and China.

“We aim to be the *crème de la crème* of CBI programs on offer,” the minister says. “It is a very selective process; we are not simply for sale. We want to pursue clients who will invest in Grenada and appreciate what it means to be citizens of our magnificent nation.”

[www.cbi.gov.gd](http://www.cbi.gov.gd)

## Q & A WITH PRIME MINISTER KEITH MITCHELL

Born in Grenada’s capital, St. George’s, in 1946, Prime Minister Keith Mitchell captained the national cricket team before completing his doctoral studies in mathematics and teaching the subject at Howard University in Washington, D.C. Elected to Grenada’s parliament in 1984, he has held his seat ever since, becoming leader of the New National Party in 1989. He is the longest-serving prime minister in Grenada’s history, and in this term and a previous one his party won all 15 seats. He also chairs the Organization of Eastern Caribbean States and heads CARICOM’s science and technology efforts. In this interview, the prime minister spoke about Grenada’s recent past, its present and its future.

### HIS GREATEST CHALLENGES ON TAKING OFFICE

First, we needed to create hope in order to tackle the difficult situation the country faced economically. To do this, we needed to unify all factions—and by this I mean all political parties needed to be at the table. This is something the previous administration would never have thought possible. I also enlisted the support of the trade unions and religious leaders in the dialogue, who spoke to their members. This was the first time this was happening. We all understood huge sacrifices had to be made in order to get the country back on track. Our message was one of national unity, and it rallied Grenadians that we needed to put our differences aside for the good of the country. It was time to create a win-win situation.

### MAKING THE NEW ECONOMY A REALITY THROUGH THE NATIONAL PLAN 2030

We had to be innovative in our thinking and actions. The public sector was bloated and inefficient. There was low productivity, so we made some hard but necessary decisions to make it function better. There was a sense of hopelessness in our young people, and we needed to empower them to unleash their entrepreneurial spirit if the country were to go forward. We made people accountable for their work and created



“This plan will serve this nation long after some of us in government have ended our period of service and moved on, and will be there for generations to come.”

smaller working bodies to produce and deliver on goals. This is a homegrown National Plan that identifies information and communication technology as the main pillar for growth and transformation. It will be rolled out over the coming 15 years and will extensively develop the island through structural changes that allow sustainable development.

Our commitment is for a fully transparent and participatory process. The government alone cannot take credit; it is the work of all the social partners of the country. This plan will serve the nation long after some of us have ended our period of service and moved on, and will be there for generations to come.

### HIS VISION FOR THE FUTURE

I would like to see us have first-class services in terms of healthcare and education, among others, and continue on the path we are walking upon—one of stability, tranquility and development. The country has suffered from political division in the past. I hope that, through my term in office, we are able to put differences aside and work toward the collective good. I have tried to depoliticize politics and create a future for generations to come that we can all be proud of, one where our children’s children will benefit from our decisions today. In the future, I would like to be able to look back and think to myself, “I had something to do with that.”

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# The Spice of Life

If you're looking for something more than sun, sea and sand on your next Caribbean vacation, Grenada should be high on your list. While the country has the traditional tourism triumvirate in abundance—including some of the world's most spectacular stretches of white sand, like picture-postcard Grand Anse—it is a 133-square-mile microcosm of volcanic peaks, cascading rivers and placid lagoons, all just waiting to be discovered.

"Grenada is unique," Prime Minister Keith Mitchell says. "We are a land that has beautiful beaches and, at the same time, mountains with tropical forests and waterfalls. Our ecosystem is diverse and second to none. You can go to the hills, hear the Mona monkeys and be surrounded by unspoiled nature. Most of the Caribbean is known for its beaches, but we have the best and more!"

On the main island, you can trek to the summit of 2,750-foot Mount St. Catherine, the nation's highest point, or



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set your sights a little lower and explore Grand Etang National Park and Forest Reserve, home to lush rain forests and many of the country's most emblematic species of fauna and flora. Alternatively, head north to 450-acre Levera National Park and look out for rare birds among the mangroves, tropical fish around the coral reefs and nesting turtles on the beaches.

Less than 30 miles away and easily reachable by boat or plane, the proudly traditional and pristine islands of Carriacou and Petite Martinique have a charm all their own. Seven-mile-long Carriacou, known as the "Land of Reefs," is a great place to pull on a snorkel and fins to really get under the surface and experience the life aquatic, while the boatbuilders and fishermen of tiny Petite Martinique can show you another side to the islands' waters.

Wherever you are on Grenada, the enticing aroma of exotic spices is always in the air. At Gouyave, on the west coast of the main island, you can visit the country's last remaining nutmeg processing station and see locals picking out the best pods by hand to dry and package for export. Inland from Tivoli, close to the east coast, take a tour of the 300-year-old Belmont Estate, which continues to produce cocoa and a range of other crops on a working plantation that is also home to acres of splendid formal gardens.

Grenada's colorful capital, St. George's, is home to centuries of history, from French and British defensive forts such as George, Frederick and Matthew to its Catholic cathedral and Anglican churches, all reflecting the country's rich colonial past. At the same time, centered around the horseshoe-shaped Inner Harbour, the town serves as the hub of modern-day Grenadian life and is commonly known as the Portofino of the Caribbean.

The islands also play host to year-round events, such as a world music concert and the heritage-rich Carnival; sporting events including Grenada Sailing Week, the annual Spice Island Billfish Tournament and the Grenada International Triathlon; and—for those who feel that sampling local cuisine is an all-important aspect of any culture—a delicious chocolate festival and even a corn-themed festival on Carriacou.

But what truly sets Grenada apart is the genuine warmth of the locals' welcome and their willingness to go out of their way to help. "Our people are very hospitable and friendly," Prime Minister Mitchell confirms. Egyptian tycoon Naguib Sawiris, who recently began construction work on his multi-million-dollar Silver Sands beachfront resort, agrees: "I fell in love with the island and its people," he recalls. "That's why I made the investment."

## PURE GRENADA

Aware how important the tourism industry is to the economy, the Keith Mitchell Administration has concentrated its efforts on that sector since taking office in 2013. In February 2014, the Grenada hotel and tourism association, in collaboration with the Ministry of Tourism and Civil Aviation, launched the "Pure Grenada: The Spice of the Caribbean" brand campaign to differentiate the country from its regional peers, positioning Grenada as a place that remains largely undeveloped and unspoiled.



Alexandra Otway-Noel, Minister for Implementation

Minister for Implementation Alexandra Otway-Noel, who served as Minister of Tourism and Civil Aviation until last December, explains how the rebranding came about. "We needed to refresh ourselves," she says. "It was a tremendous exercise, with assistance and support from the private sector. We encapsulated all that was good about the country. It is a very beautiful, natural island and an off-the-beaten-path destination for the more-discerning visitor."

In his 2015 budget statement, Prime Minister Mitchell pointed to the significant spike in the number of visitors welcomed to the country in 2014, declaring that "our new brand, 'Pure Grenada: The Spice of the Caribbean,' has proven to be invaluable."





Sandals LaSource Resort

## Private Sector Creates Growth

Talk to any member of Prime Minister Keith Mitchell's administration and you'll hear the same message: The private sector is vital to securing sustainable growth in Grenada. The U.S. Department of State calls the investment climate "quite liberal," citing new opportunities for foreign investors, access to international trade agreements and the absence of restrictions as evidence of the country's welcoming attitude.

Last year, Grenada attracted nearly 19% more tourists than in 2013, making it the Caribbean's fastest-growing destination. More than 235,000 people came aboard the 156 cruise ships that called at its three ports, while over 133,500 stayed overnight in 2014, a jump of 18% compared to the previous year. Maurice Bishop International Airport receives 340 flights every month, with new routes added constantly.

But visitors are not the only ones showing a surge of interest in Grenada. Investors including Sandals Resorts' Gordon "Butch" Stewart and Egypt's Naguib Sawiris have also set their sights on the country. Sandals LaSource Grenada opened in the capital, St. George's, earlier this year, while Sawiris broke ground on his Silver Sands development on world-famous Grand Anse beach at the start of 2015.

"We need a lot more investment and are working to facilitate this," says Minister of Economic Development Oliver Joseph. "We see the private sector as the main engine of growth, and they have our full support and assistance."

Minister Joseph notes that, aside from tourism, services—particularly financial and education services—have provided the biggest impetus for development over the past couple of years. Agriculture, long the backbone of the economy, has significant potential for growth, such as in processing the country's world-class cocoa at home, as local cooperatives like the Grenada Chocolate Company already do. This processed cocoa is used by the likes of the United Kingdom's Rococo Chocolate to make its range of renowned products.

Crops such as sugarcane are also ripe for transformation into added-value exports, such as rum. Through the Grenada Development Bank, the government has set up a small-business development fund to provide loans to local people to boost activity in the agricultural sector and across the economy, while a draft electricity-supply bill, presented this May, aims to restructure the industry, promote renewables and cut power costs.

Fiscal and other incentives are available to eligible investors who undertake priority investment projects, operate in selected sectors or set up shop in certain areas of the country. In addition to enjoying an exemption from customs duties for equipment, plant and raw materials, investors don't encounter any restrictions on foreign ownership or currency transactions, and capital, dividends and profits can be repatriated tax-free.

Otway-Noel's appointment as Minister for Implementation last year is another sign of the government's proactive approach. "My role is to build a bridge between the private sector and the government to increase efficiency and productivity," she says. "The idea is to open our doors for investors, so they feel free to come to us and we facilitate things moving along. It is a priority to invest time in the private sector; that is where the passion is."

## ST GEORGE'S UNIVERSITY

Established nearly 40 years ago, St. George's University (SGU) is Grenada's leading seat of higher education and one of the best-respected tertiary institutions in the Caribbean. It's a true success story, with a dedicated team of professors that has trained one out of every 100 doctors working in the U.S. today. Renowned for its medical and veterinary doctoral programs, the university also offers undergraduate degrees in disciplines including business management, humanities and social sciences.

Affiliated with colleges in the U.S., Canada, the United Kingdom, Ireland and Australia, SGU has awarded over 15,000 degrees to graduates from 140 countries. In the last decade, it has handed out scholarships worth \$90 million to Caribbean students. Its 42-acre campus houses 65 buildings, serving three faculties.



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According to Minister Oliver Joseph, SGU contributes 20% of Grenada's GDP, a share set to remain strong as the number of students enrolled climbs every year. Two-thirds of its 5,000-plus medical students hail from the U.S., each paying close to a quarter-million dollars for a four-year degree.

Students and Grenada's government are not alone in appreciating the benefits of SGU. Last August, the school signed a \$750 million deal with a group of private-equity investors, although the founders remain the largest single shareholder. Dr. Charles Modica, the university's chancellor, said the investment would help SGU expand its global reach.

"I view the university as a grading indicator for other enterprises that want to come to Grenada," Dr. Modica says. "You can trust the country, you can trust the government and you can trust its people. If you want to do good in the world and make a wise investment, choose a place like Grenada, where they work with you in hard times and good."

[www.sgu.edu](http://www.sgu.edu)