



STATEMENT

BY

DR. THE RIGHT HONOURABLE
KEITH C. MITCHELL

PRIME MINISTER OF GRENADA

GROUP OF 77 AND CHINA
SECOND SOUTH SUMMIT

DOHA, 15 JUNE 2005
Salutations

Mr. Chairman
Rt. Hon P.J. Patterson,
Prime Minister of Jamaica

Colleagues,

Excellencies

Ladies and gentlemen, I am both honoured and appreciative to have the opportunity of this Summit to bring warm greetings from Grenada and provide an update on what has transpired since that fateful day, September 7, 2004.

Firstly, permit me to, once again, say thank you to those countries and development partners that responded to Grenada's plight, following the widespread destruction from Hurricane Ivan. Ivan was indeed, terrible, but Ivan also served to bring us closer to many friends around the world, and for this Grenada will always be grateful.

Distinguished ladies and gentlemen, as a Small Island Developing State with limited resources and a small population, Grenada was doing relatively well prior to September 2004. The economy had registered a growth rate of 5.7 percent in 2003. With a strong agricultural base and expanding tourism, manufacturing and services sectors, Grenada was poised to grow even further.

From a fiscal standpoint, Grenada was projected to record a surplus of \$17 million US dollars in 2004, or two percent of our Gross Domestic Product.

On June 7, 2004 Standard & Poor's Rating Services has affirmed its 'BB' long-term and 'B' short-term sovereign credit ratings on Grenada, which we had received annually since 2002. The outlook remained stable and we were preparing to undertake some major Public Sector Investment Projects. However, three months later, on September 7, 2004 everything changed. We went from anticipating a surplus equal to two percent of our GDP to damages in excess of two and one half times our GDP!!

Hurricane Ivan was the sixth most severe hurricane in Caribbean history. When it struck Grenada on September 7, it has strengthened into a Category Four Hurricane with winds of 220 kilometres per hour. It destroyed 90 percent of the housing stock, leaving thousands of families displaced from their homes. Our farms were battered badly and 95 percent of our main export crop nutmeg was either damaged or destroyed.

Hurricane Ivan also devastated the commercial sector. Many businesses had to close their doors at least temporarily. Nearly all of our hotels were seriously damaged or destroyed and some are only now beginning to reopen. This has led to serious job losses and unemployment has skyrocketed from 11% to approximately 35% almost over night.

Our schools and churches were not spared the wrath of Ivan. All of our school children suffered and are still suffering disruptions to their education by the damage done to their school facilities. We are also faced with the task of assisting our religious community to

rebuild the many churches that were damaged. Some of these churches are historic sites and need to be rebuilt immediately.

Ladies and Gentlemen virtually every area of life in Grenada was adversely affected.

We are faced with the challenge of reconstruction 10,000 housing units to provide shelter for the most vulnerable families. This will cost in excess of 200 million US dollars.

Moreover, Ivan has created a category of new poor in Grenada. I refer here to people who may have been on a fixed income or a pension, who owned their house and were relatively comfortable. They had spent years paying their mortgage and Ivan comes along and flattens their house. They are not in a position to take out a mortgage and are not considered among the most vulnerable. Yet, these families need help.

We are faced with the challenge of rebuilding and/or repairing all our schools. Even with possible help from USAID, the Caribbean Development Bank, the World Bank and the promises from the European Union, the financing gap for rebuilding our schools is 37 million US dollars. And this does not include furniture, equipment and teaching supplies.

We are faced with the challenge of clearing and replanting some 6,650 acres of nutmeg and 2,400 acres of cocoa over the next two years. This will cost at least \$3 million US dollars

Our private sector suffered enormous losses both from the Hurricane and the looting that took place immediately following.

Insurance coverage did not come near to meeting the losses our business community has endured. Moreover, access to credit for rebuilding and restocking has not been forthcoming.

Simply put, ladies and gentlemen, we are faced with the challenge of rebuilding our Country and resuscitating our economy and we do not have the financial, technical or human capacity to do so.

In addition to the above mentioned challenges, there is another repercussion from the Hurricane that cannot be measured in dollars and cents. I refer to the psychological damages to Grenadians.

The need for counselling people for post traumatic stress disorders, and helping them to cope with the arrival of the 2005 Hurricane Season - when many still do not have a proper roof over their head –requires counsellors and other support systems that we do not have.

Similarly, we need to retrain and upgrade the skills of workers in the construction sector if we want houses and other buildings to be hurricane resistant.

Given the above, as well as the many other challenges which time does not allow me to outline here today, the Government of Grenada established the Agency for Reconstruction and Development as the administrative and technical coordinator for the reconstruction effort. The Agency is therefore working with the various Ministries, donors and non-governmental organisations. The professional staff of the Agency is adding value to and supplementing the work of the Public Service, as well as the developmental partners and non-governmental groups involved in the reconstruction process.

What is clear, however, ladies and gentlemen, is that the Government of Grenada, the Agency for Reconstruction and Development and, most importantly, the Grenadian people cannot do it alone.

We need those countries and agencies that have pledged assistance to deliver on their pledges. And, we need continued support for many years to come before we will return to normalcy.

Ladies and gentlemen, no country that has suffered such devastation to its economy can, on its own, find internal resources to recover. I say no more, other than thank you for listening and thank you in advance for responding.