

September 3, 2020

Do It Fuh Grantley

Episode 20: Life, Disrupted

We begin the fourth season of *Do It Fuh Grantley* with a frank discussion on the potentially catastrophic effect the COVID-19 pandemic has had on Barbados' economy. Barbadian economist, Shane Lowe, joins us to share his professional views on the country's national insurance scheme and the need for diversification of the tourism industry.

Shane and his wife Terri-Anne live in Washington D.C. where he works for an international organization. He was a featured guest at the Annual Fortress Investment Forum in 2018 and is the immediate past President of the Barbados Economics Society. Shane has published empirical research papers in the areas of fiscal policy, financial stability, external competitiveness, tourism sustainability and economic development in peer-reviewed journals and as part of the Central Bank of Barbados' Economic Review and working paper series. He is in the final year of pursuing a PhD in Economics with the University of Glasgow.

We hope you enjoy the show!

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Episode Time Stamps:

[00:00:00] Introduction from Kim Howard

[00:02:34] Interview with Shane Lowe

[00:04:04] The global shift caused by the pandemic

[00:07:00] Personal effect of the pandemic

[00:09:53] Impact of the pandemic on the global economy

[00:12:53] Rising unemployment in Barbados and the National Insurance Scheme

[00:14:44] Factors affecting government revenue

[00:17:44] Barbados tourism and COVID-19

[00:19:47] Economic outlook and lessons learned

[00:31:34] Closing comments

Grantley Speaking

1. **NIS** - Barbados' National Insurance Scheme (NIS) is the country's social security system and was established in 1967. National insurance is a tax system paid by employees and employers to fund national benefits, including sickness, maternity, employment and others.
2. **Dividends or interest payments** – This refers to the payments made to the investors in an entity, generated by the entity's earnings.
3. **Restructured debt** - Debt restructuring is a process used by borrowers to avoid the risk of default on existing debt or lower available interest rates.
4. **Interest from debt** - Interest rate refers to both the annual cost of borrowing or the annual percentage growth of savings. Borrowers/issuers (which may be a government, or corporation) issue bonds to raise money from investors willing to lend them money for a certain amount of time. In return, the issuer promises to pay the lender a specified rate of interest during the life of the bond and to repay the principal, also known as face value or par value of the bond, when it "matures," or comes due after a set period of time. In Shane's reference the Barbados Government was the lender and the NIS was the lender.
5. **GDP** - Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period, usually annually.
6. **Government revenue** - Money received by a government from taxes and non-tax sources to enable it to undertake government expenditures.
7. **12-month visa programme** - [The 12-month Barbados Welcome Stamp](#) is a remote work programme which emerged from the COVID-19 crisis. It offers a visa allowing people to work remotely in Barbados for a maximum of 12 months. The visa is available to anyone who meets the visa requirements and whose work is location independent, whether individuals or families.

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